PARIS, WEDNESDAY, JULY 21, 1993

# Clinton Picks Drug Expert, Law Legend,

Choice of Mafia Fighter Is Expected to Enhance Bureau's Work Abroad

To Head FBI

By Paul F. Horvitz

WASHINGTON — G-man, Mafia crimebuster, federal prosecutor, judge.

That resume is the primary reason President.
Bill Clinton named Louis J. Freeh on Tuesday
head the FBI, calling the 43-year-old New
Worker "a law enforcement legend."
If approved by the Senate, Mr. Freeh could
mise the profile of the FBI around the world as
it eseks to combat terrorism and international

it seeks to combat terrorism and international organized crime, an area in which he has partic-

ular knowledge.
There is little doubt that Mr. Freeh, who prosecuted the most extensive, mob-related heroin-import case in U.S. history, is already well known not only to organized drug traffickers in the United States but also to crime bosses

"We now live in a global village in terms of law enforcement." Mr. Preeh, a former FBI field agent, said as he accepted his nomination at the White House.

"When my friend and colleague, Italy'a Judge Giovanni Palcone, and his wife were assassinated in 1992 outside Palermo it was an attack against the cooperative efforts of the FBI and the Italian police and judges to combat international narco-terrorism

international narco-tentionan.

In an article last year, Mr. Freeh urged greater efforts to fight the Mafia, suggesting, for branuple, that foreign informers be given new identities under the U.S. witness protection

Aiready, the bureau staffs 21 FBI Legal Atta-ché offices in U.S. embassies around the world as it seeks to combat organized crime and drug smuggling, white-collar crime, terrorism and

The agency cooperates very closely with Italy under the Italian-American Working Group and has agents in almost daily contact with their European counterparts hunting terrorists.

Mr. Clinton praised Mr. Freeli as "experienced, energetic and independent."

Mr. Freeh declared: "Our country must be

made safe again."

The issue is stark, he said. To we allow criminals to destroy our confinition and our freedoms or do we as a people of the later of the fact of law, that effective stars to preserve our most besic civil rights?

Mr. Frech was named one day after Mr. Cinton dismissed William S. Sessions as the FBI director.

The president accepted a report from Attorney General Janet Reno that concluded that Mr. Sessions had used poor judgment in charging personal travel expenses and other items to the government and could no longer be effec-

An internal FBI ethics report last year chas-

tised Mr. Sessions. Unlike many federal agency heads who are contact many feets a specicy nexts was ate-political appointees, the FBI director serves a 10-year term on a nonpartisan basis. Mr. Ses-sions, a former federal judge, was appointed in 1987 by President Ronald Reagan.

The appointment of Mr. Freeh drew praise

from his former chief, Rudolph Ginhani, who See FBL Page 3



A wounded Bosnian waving farewell Tuesday as UN medics carried her from a hospital for an evacuation flight to Germany.

# Bosnian Begs for Help to Save Sarajevo

President Sends Plea to UN and U.S.

SARAJEVO, Bosnia-Herzegovina — With Serbian forces pressing an offensive on the outskirts of his capital, President Alija Izet-begovic appealed to U.S. and United Nations officials on Tuesday to intervene and save Sarajevo from a possible all-out assault.

The Serb aggressor has launched a heavy offensive toward the Sarajevo safe zone, now coming from two directions, southeast and southwest, aiming to cut up the city," Mr. Izetbegovic said in a letter Tuesday to the UN secretary general, Butros Butros Ghali, and other officials, including the U.S. ambassador to Bosnia-Herzegovina, Viktor Jacko-

"There are signs that the Serbian forces plan a general attack on the town itself," he waote. "I call on you to intervene and stop

peace talks this week. strategic Mount Igman, overlooking Saraje-vo, as Serbian forces tried to tighten a ocose

around the besieged capital. The city's utility crisis has returned to its The mediators, meanwhile, were said to be

A "haven of peace" in Bosnia turned into a place of death and abandonment. Page 2.

worst level - no natural gas, no electricity and virtually no running water. Power and water have been cut since June 21, with a brief interlude last week,

The city's only bakery, which opened briefly five days ago, has been closed again for lack of fuel. UN officials said the only substantial source of food for Sarajevo residents now was the UN airlift, which can provide only about 60 percent of the need,

Tuesday, hot diplomats said it was out known whether Muslim leaders would attend

The diplomats said the 10-member presidency sent the mediators, Lord Owen and Thorvald Stoltenberg, proposals to rival a joint peace plan tabled by their Serbian and

rying to persuade the Bosnian Serbs to si-lence their guns long enough to persuade the presidency, and especially Mr. Izetbegovic, to return to the Geneva negotiating table.

The 11-point plan calls for the former Yugoslav repoblic to be made into a loose federation, according to a draft.

It does not specify how many federal units would be created and - unlike the Serbian-Croatian plan for a confederacion of three ethnic states - it decrees that the units "can-oot be constituted solely on ethnic princi-

# In Blow to VW, Court Lifts Gag Order

By Brandon Mitchener

FRANKFURT - In a new blow to Volkswagen AG, a German court ruled Tuesday that there was substitutial reason to believe allegations that the company's controversial vice their was substitutial reason to believe allegations that the company's controversial vice their reason to be substituted by the substitution of the company's controversial vice their reason. chairman stole corporate secrets from General Motors Corp. before joining VW.

The decision adds to other recently uncovered evidence contradicting VW's claims of innoceace, including four boxes of documents found in a house once inhabited by GM associates who followed José Ignacio López de Arriorita, a Spaniard, to work for GM's chief European competitor in March.

Socialist deputy, said "has come to be applied in, frankly, unacceptable ways."

peets to pressure them into naming names. Courts allow preventive detention if there is

risk a suspect may flee or tamper with evidence.

energy conglomerate ENI, was found dead in

Mr. Cagliari, former chairman of the state

Magistrates have been accused of jailing sus-

**Apparent Suicide of Arrested Executive Jolts Italy** 

German newsweekly, had acted with reasonand during their switch to VW.

the substance of GM's charges of criminal espionage, officials for the company's big German subsidiary, Adam Opel AG, which was not a party of the Hamburg proceedings, expressed satisfaction with the result. In lifting its gag, "the court agreed that the evidence against VW was more credible than the signed affidavits of

the bathroom of his cell with a plastic bag over his head on Tuesday. A magistrate said there was little doubt that he had committed suicide.

Mr. Caglian's lawyer, Vittorio D'Aiello, first

said his client died of a heart attack but later

said he was convinced that Mr. Cagliari took

his life so that he would not implicate friends

and business associates.

Lifting a previously imposed gag order, a Mr. López and (Ferdinand) Piech," the VW Hamburg civil court ruled that Der Spiegel, the chairman, an Opel official said.

"It might now be necessary to investigate whether Mr. López committed perjury," said Hans Werner Kilz, co-editor of Der Spiegel, calling the court's ruling a victory for the maga zine and for free speech.

"We were justified in writing that Mr. Lopez is suspected of having stolen industrial secrets, he said. The suspicion, he said, was supported by a "good deal of sworn testimony" by top GM officials, many of whom had been quoted anonymously in Spiegel articles.

See GM. Page 14

Mr. D'Aiello said Mr. Cagliari left four

Prosecutors have not disclosed contents of

If he took his own life, he would be at least

the ninth person to kill himself since the scan-

See ITALY, Page 5

notes, two to him, one to his wife and one

absolving his cellmates.

### this art of aggression. UN officials reported see saw combat on In Geneva, the Bosnian presidency set out its blueprint for a postwar federal state on See UN, Page 5

Even though the court said it did not role on

Georg Nauth, a spokesman for the prosecut-

# In addition, Senator Claiborne Pell, the

Rhode Island Democrat and chairman of the Foreign Relations Committee, and Senator Jesse Helms, the North Carolina Republican and ranking Republican on the committee, wrote to Mr. Christopher in May complaining of what they said were several other potential Chinese violations of the missile accord, administration

Wendy Sherman, the assistant secretary of

# U.S. Aims a Warning **At China Over Arms**

# **Sanctions Loom** If Sales Go On

By Elaine Sciolino
New York Times Service

WASHINGTON - The administration plans to warn China that its weapons exports could bring punitive sanctions, and a debate cootinues within the government over whether the message is tough enough, according to se-nior administration officials.

In response to what Washington calls mounting evidence that Beijing is shipping missile technology to Pakistan, Secretary of State War-ren M. Christopher will raise the issue when he meets with Foreign Minister Qian Qichen on Sunday in Singapore, officials said. The issue will be discussed in detail on the following two days in Beijing hy Lynn E. Davis, undersecre-tary of state for international security affairs. In May, despite what U.S. intelligence agen-

cies described as compelling evidence that Chi-na had shipped parts for M-11 missiles to Pakistan, the administration renewed China's favored trade status, making it conditional on improvements in China's human rights record. The missiles have a range of about 300 miles (450 kilometers) and are believed capable of

carrying nuclear weapons.

Since then, intelligence reports have led some senior arms experts to conclude that Pakistan has received all the components to assemble the missiles, senior officials said on Mouday.

These officials also describe intelligence reports indicating that China has stepped up its cooperation on missile technology with Iran. which is trying to develop more sophisticated arms, and that China has shipped chemicals that could be used for weapons to Tehran.

Bot there is a deep split within the Clinton administration over whether Pakistan actually has missiles and whether the Chinese and Pakistani agencies involved should he punished with sanctions, as required under U.S. law.

The Central Intelligence Agency, for example, has taken a very hard line, while senior Pentagon officials, including William J. Perry, deputy secretary of defense, say there is no firm evidence that China has shipped the missiles. The State Department is divided, although some officials close to Mr. Christopher have said that given the evidence, China should not be given the benefit of the doubt.

To maintain its trade benefits last year, China promised the Bush administration that it would honor the Missile Technology Cootrol Regime, which bans the transfer of certain equipment and related technology, though Chi-

na did not sign the agreement.

In return, the Bush administration ended sanctions against China's transfer of high tech-oology, reflecting Mr. Bush's belief that the way to moderate China's behavior was through

But evidence that China violated the agreement hy delivering M-11 missile technology to Pakistan led the Bush administration to postpone the sale of a sophisticated supercomputer to China last December. The sale of the computer, to be used for weather-forecasting, is still pending.

Some intelligence officials say that piece hy piece, China has managed to ship the missiles. They base their conclusion in part on satellite photographs last November showing suspi-

cious-looking crates from China in Pakistan. But these officials said they have oot been able to determine whether any M-11 missiles

state for legislative affairs, replied, telling them that the administration did not believe that China had transferred any technology or equip-ment that would require sanctions by the ad-ministration, a senior administration official

# **Some Asians** Cool to Pacific Summit Talks

By Michael Richardson uernational Herald Tribune

SINGAPORE — By proposing a summit meeting later this year of leaders of the Asia-Pacific region, which would be a first, President Bill Clinton has begue to shift the focus of U.S. foreign and trade policy

away from Europe and the Western Fiemi-sphere toward fast-growing East Asia.

As expected, his plan to strengthen trans-Pacific ties and promote regional trade liberalization has encountered strong opposition from Malaysia, which, playing its role as a gadfly, asserts that it would weaken attempts by East Asia to chart an independent course in world af-

But more worrying for Washington is that Mr Clinton's proposal of July 7 for an informal Asia-Pacific summit meeting in

### **NEWS ANALYSIS**

Seattle in November has yet to gain unequivocal support from a oumber of the region's largest nations, including China, Japan and Indonesia.

China is reluctant to attend a meeting of beads of government at which Taiwan and Hong Kong would be present, Asian offi-cials said Tuesday, while Japan and Indo-oesia are concerned that such a meeting may be premature and divisive.

U.S. efforts to overcome these problems will be a critical test of the Clinton admin-istration's influence in Asia and its ability to shape the future ecocomic and foreign policy architecture of the region.

Mr. Clinton's proposal is intended to add impetus to moves within the Asia-Pacific Economic Cooperation forum to speed up the pace of regional integration by agreeing oo steps to reduce barriers to trade, jovestment and business in general.

The 15 members of the economic cooperation group account for about half the world's output and 40 percent of the ex-ports. They would form a powerful counterweight to an enlarged European Community, which many Asia-Pacific officials assert is becoming increasingly protection-

The members are Australia, Canada, China, Hong Kong, Japan, New Zealand, South Korea, Taiwan and the United States, and the countries in the Associa-con of South East Asian Nations — Bru-oei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

In what was billed by U.S. officials as a keynote address oo his first visit to Asia as president, Mr. Clintoo said that the time with Japan and others in this region to create a new Pacific community.

Mr. Clinton said that he was consulting the economic cooperatioo leaders about holding an informal conference to "discuss what we can do to continue to bring down the barriers that divide us and to create more opportunides for all our peo-

Secretary of State Warren Mr. Christooher is expected to take these consultations further when be arrives in Singapore on Sunday to meet the foreign ministers of ASEAN after they wind up their annual

Foreign ministers of the APEC countries will be involved in these discussions, with the exception of Taiwan and Hons

Responding to Mr. Clinton's Asia-Pacific summit proposal will be a key test for East Asia. Io essence, countries in the area are

See ASIA, Page 3

## Kiosk

Legislators demanded parliamentary debate on preventive custody, which firms Landi, a

Compiled by Our Stoff From Dispatches

ROME — The death in jail Tuesday of Ga-

ispute about investigative methods in Italy's

briele Cagliari, a well-known businessman, ap-batently by his own hand, revived a bitter

17-month corruption investigation.

## **Gay Compromise Backed by Nunn**

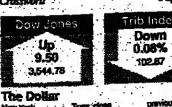
WASHINGTON (NYT) - Senator Sam Num, an influential Democrat, gave his broad support Tuesday to President Bill Clinton's new policy toward homosexuals in the military and withdrew his insistence that a stricter version be written into law. Apparently swayed by the military's ring-ing endorsement of the plan and by continu-ing divisions in the Senate, Mr. Nunn, a

Georgian who heads the Armed Services Committee, said he would seek only to have the administration clarify several areas. The six members of the Joint Chiefs of Staff, whose steadfast opposition had scut-tled Mr. Chinton's initial plan to simply lift. the han on homosecouse, testified before the committee in praise of the compromise. They said the new policy would actually improve combat readiness, by finally put-

ting to rest an area of bitter contention.

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Book Review



108.20





feld's thigh-rise hemline. Page 8.

## It Isn't Over Yet, but the Mississippi Begins to Subside Mississippi just north of here and is the other

By B. Drummond Ayres Jr.

New York Times Service
ST. LOUIS, Missouri — It is only a drop of one-tenth of a foot, but the rain-swollen, ram-paging mighty Mississippi has begun to subside here, and with it some of the fear and destruction caused by the great flood of 1993.

There was still plenty to worry about as the

river bulged toward a second, higher crest, and there was still plenty of need for more sandbagging as one of the worst floods in U.S. history rolled toward the Gulf of Mexico. Flood experts warned that despite the falling river and clearing skies over most of the sodden

Midwest disaster area, there would be more rain before the river totally retreated to within its banks and relaxed its relentless pressure on soggy, weakened levees designed for a far lesser Still, there was the undeniable, happy fact that the river, which crested on the levee here on

Sunday at a record height of 46.9 feet, stood at 46.8 feet on Monday afternoon. "That's progress, any way you look at it," said Jim Kramper, a disaster specialist at the National Weather Service office here.

[Heavy rain communed in parts of Kansas and Nebraska, The Associated Press reported. Up to 2.3 inches of rain fell in one hour Tuesday morning in northern Kansas. Monday was sunny throughout most of the region. In Iowa, no rain fell for the 24 hours ending at 6 A.M. Tuesday, the first time that has happened this month, though it was raining in Des Moines

early Tuesday afternoon. (Although the Mississippi reached one crest Sunday night at 46.9 feet, the river was expected to exceed that Tuesday night. Tom Dictrich, a National Weather Service hydrologist in St. Louis, predicted the river would rise to 47 feet before starting to recede slowly but for good.] The Mississippi certainly did not seem to be



A member of the National Guard loading sandbags onto a truck in Manhattan, Kansas.

subsiding as it boiled past the Gateway Arch on its long rumble. There was as much mud and detritus and stench as ever, and it looked every bit the monster that had killed 29 people and added that the Missouri River, which joins the year is going to be the ultimate test."

caused more than \$10 billion in damage across the Midwest.

But Mr. Kramper confirmed the drop, and

major river in the summer flooding, also was heginning to subside. And from varied points throughout the disaster region, most of them under blue skies, came

other encouraging reports — progress on re-storing water service at Des Moines, progress on restoring a collapsed levee at Glasgow, Missouri, progress on reopening a bridge across the Mississippi at Hamilton, Illinois.

To be sure, there were reports of oew flooding and seepage, some of it in a St. Louis suburb, some of it to the south at the historic city of Ste. Genevieve, Missouri, some of it far to the corth oo the Fox River at Algonquin, Illinois. There was still the three- or four-day wait while the crest makes its way to Cairo, Illinois, where the river bottom broadens and can swallow even this flood.

But overall, the news was mostly positive, for

the first time in more than a month. "It's definitely beginning to look hopeful," Mr. Kramper said. "Any time you get a crest and then a drop, it's good news. If we don't have some unexpected rain, from here on out we ought to see a steady fall-off of maybe as much as a foot every couple of days."

At that rate, the Mississippi and the Missouri should take roughly two or three weeks to fall back within their banks. Can the levees hold out that lone?

"That's the thing we're most worried about," said Bob Anderson, a spokesman for the U.S. Army Corps of Engineers, "It looks like the water is going to be high on them for more than two weeks, twice as long as it stayed up back in the great flood of 1973. We used to think that was the definitive test. But it's clear that this

# Death and Abandonment in Bosnia's 'Haven of Peace'

By John F. Burns New York Times Service

FOJNICA, Bosnia-Herzegovina — Nobody could be sure when Edin Lisnjic died. The only witnesses, three other toddlers in a stuffy upper room at a hospital for physically and mentally handicapped children here, were in no condition to say.

Edin was 2%. It seemed likely that he had succumbed of dehydration in the intense heat a few hours before United Nations troops arrived here late Monday afternoon. For 72 hours before that, Edin and more than 200 other children to the hospital had been abandoned, without doctors, nurses or other staff members, and with nobody to turn to but a handful of adult patients with severe mental handicaps of their

Unlike 200,000 others whom the Bosnian government estimates to bave died in the lighting, Edin was not blown apart by artillery, cut down by snipers, tortured or burned alive. He was simply left to fend for himself. so severely handicapped that he had spent most of his life at the hospital.

"It's monstrous," said Brigadier General Vere Hayes, chief of staff for the UN protection force in Bosnia, watching as 30 British, Canadian, Danish and Dutch soldiers hastened to unload food and medical supplies, while others donned paper masks and rubber gloves to begin cleaning up hallways and wards awash

Many were sodden with sweat. Some, terrified, hid beneath their cots. Others, large enough to have found their way to supplies of biscuits and cereal and milk powder in the hospital storeroom, feasted on their contraband. Others simply stared to

Many of the hospital windows had been broken from inside and toys thrown out of windows, suggesting that there had been fighting among the patients. Some window sills and floors were smeared with blood, as were some of the children.

The Drin Hospital, nestled between lushly forested mountains, was one of the largest of its kind in Yugoslavia. Its patients were drawn from all of the Yugoslav republics. Fojnica, the spa town that bes just a mile down the road, has been celebrated for its

curative springs since the Middle Ages. For 15 months, Fojnica's Croatian majority and Muslim minority had prevented ethnic hatred from destroying what most people here agreed was a fine communal life. General Philippe Morillon, then the UN military commander in Bosnia, thought Fojnica so exceptional that he came here three weeks ago and

declared the town "a haven of peace."

An undertaking to keep Fojnica out of the war was signed by local Croatian and Muslim leaders. Those

The soldiers moved about amid a tableau of naked, excrement-smeared children dashing from room to room, some shricking, others crying. In the wards, smaller children rocked rhythmically to their cots.

who drew up the pact included the local commanders of the Croatian nationalist army in Bosnia and the Muslim-led Bosnian forces, which have been fighting brutal battles for control of mixed Croatian and Muslim communities all around this region since the spring. A stamp of approval was added by the local Roman Catholic priest and by the Muslim imam.

The caim ended a little more than two weeks ago, when the Bosnian Army drove the Crosnian forces from Foinica in bitter street-to-street fighting, and much of the town was set afire.

On Friday, as the town was being overnin, the Croatian commander ordered all staff members to leave the Drin Hospital and a neighboring hospital for adults with severe handicaps. Within an hour, more than 600 people, most of them with severe mental debilities, were on their own.

For two days, UN troops trying to reach the two posts, had been in the hospital during the 72-hour hospitals were turned back at Bosnian checkpoints. On Sunday afternoon, Canadian troops of the UN force tried a road that approaches Fojnica through Croatian-held territory to the south, and reached the

children's hospital at dusk.
The Canadians reported that five children were in critical condition. But Croatian nurses with the Canadians said that they felt unsafe, so the Canadians pulled back urging that a larger convoy with medical supplies and food try again Monday.

One of the five identified as being in critical condi-

tion on Sunday was Edin. The others on the list said.

the volunteer group Doctors Without Borders, who returned with Monday's convoy, found several other children who were seriously ill, including one with

As the UN troops began organizing an evening meal for the patients, it seemed clear that few of the children understood what had happened. But many of the adults did, and applanded happily as the soldiers went about their tasks. Some of the adults took up brooms and more and iconed in and mops and joined in.

Although the Croatian commanders said that the hospital had been too dangerous to approach during the three days before Monday's convoy arrived, UN troops quickly discovered that armed men, apparently Croats since the hospital lies at least a mile from the Bosnian front lines and only 500 yards from Croatian

But their purpose did not appear to have been to help the children. The safe in the director's office had been blasted open and emptied. In one office, several bottles of vodka and slivovitz lay on the table, with

dirty shot glasses nearby.

Some of the older children said that armed men in camouflage uniforms had been to the hospital on Saturday, but the children said they did not know which army they belonged to.

"I don't know, but they were big," a 10-year-old guil

French Investigate Hormone Deaths

PARIS (Reuters) - Two French physicians in charge of a hormone rando (Reuters) — I wo reach physicians in charge of a homone treatment for children suffering from dwarfism were placed under investigation for manslaughter on Tuesday, justam in the 1930s have been contaminated with the tare Creutzfeldt-Jakob disease, which attacks the

brain, causing dementia and death. Fifteen deaths have been reported brain, causing dementia and death. Fitteen deaths have been reported.

Jean-Claude Job, a pediatric endocrinologist, is president of the France-Hypophyse association which had a monopoly on collecting and distributing pituitary glands from corpses across France and eastern Europe in the 1970s and 1980s. The other doctor placed under investigation was Fernand Dray, former head of a research unit at the lasting Pasteur, which extracted a growth hormone from the glands. The case has compensated a public consense in France about the ethics and death. compounded public concern in France about the ethics and dealings of the medical establishment, already shaken by a scandal over HIVING contaminated blood transfusions.

2 U.S. Soldiers Reported Wounded
ROME (Reuters) — Snipers wounded two U.S. soldiers in Mogadishu ROME (Renters) — Snipers wounded two U.S. soldiers in Mogadishu Toesday, the Italian news agency ANSA reported, bringing to four the anniber of American troops injured in the Somali capital in two days.

The agency said Tuesday's attack occurred while soldiers escorted an American, whiche doing road work in the city. On Monday, two U.S. Army military policemen were slightly wounded by sniper fire.

ANSA, which gave no source for the report, identified the Americans injured on Tuesday as a heutenant and the driver of a U.S. military vehicle that escorted the privately owned road work vehicle. The report did not say whether they were seriously wounded. The United Sines currently has about 4,000 troops in Somaka as part of the multinational UN peacekeeping force.

UN peacekeeping force.

## French Official Sues Over Accusation

PARIS (Reuters) — Interior Minister Charles Pasqua is sning a magistrates union for libel over allegations that police officers who freed nursery schoolchildren in a May hostage drama had intended from the start to kill the hostage-taker.

Erick Schmitt, a bankrupt businessman, was shot to death by police commandos May 15, ending a 46-hour classroom stege in the Paris suburb of Neuilly. Mr. Pasqua's office said Tuesday that he was suing Justice, the magazine of the leftist union, which wrote earlier this month that it had proof that a decision to kill Mr. Schmitt had been made before the proof that a decision to kill Mr. Schmitt had been made before the proof that a decision to kill Mr. Schmitt had been made before the proof that a decision to kill Mr. Schmitt had been made before the proof that a decision to kill Mr. Schmitt had been made before the proof that a decision to kill Mr. Schmitt had been made before the proof that a decision to kill Mr. Schmitt had been made before the proof that a decision to kill Mr. Schmitt had been made before the proof that a decision to kill Mr. Schmitt had been made before the proof that a decision to kill Mr. Schmitt had been made before the proof that a decision to kill Mr. Schmitt had been made before the proof that a decision to kill Mr. Schmitt had been made before the proof that a decision to kill Mr. Schmitt had been made before the proof that a decision to kill Mr. Schmitt had been made before the proof the proof that a decision to kill Mr. Schmitt had been made before the proof that a decision to kill Mr. Schmitt had been made before the proof that a decision to kill Mr. Schmitt had been made before the proof that a decision to kill Mr. Schmitt had been made before the proof the proof the proof the proof that a decision to kill Mr. Schmitt had been made before the proof that a decision to kill Mr. Schmitt had been made before the proof th

the police raid. The police said at the time that they had shot him when he stirred and opened his eyes.

## Russia Says It May Raid Afghanistan

MOSCOW (AP) - Russia reserves the right to strike at targets inside Alghanistan in response to rebel raids into Tajikistan, a Security Ministry official said Tuesday. The comments came as Russia prepared to bolster its forces in the Central Asian state in its biggest action in the region since the 1979-89 Afghan war.

the 1979-89 Afghan war.

Tajik rebel attacks, which Russia charges were aided by Afghans, have killed 33 Russian border gnards and Tajik soldiers in the last week. Early Tuesday, another Russian was slightly wounded by gunfire from the Afghan side of the border, the Interfax news agency reported.

Visitimir Roadarento, the chief of staff of the Security Ministry, said

that Russian border guards will "use all the forces and combat tech available to them not only to check, but also to prevent, acts of

## Suspect Is Held in U.K. Gay Murders

LONDON (Remers) - Police officers searching for a man who killed

five homosexuals in London arrested a suspect Tnesday in southeastem.

England but did not immediately identify him.

Last week Scotland Yard released a computer-enhanced version of a photograph from a security camera of a man seen with the last victim, Emmanuel Spiteri. The photo showed a tall man with close-cropped har walking in London's Charing Cross callway station with the victim

shortly before he died. A man believed to be the serial killer has telephoned the police several times, since the murder spire began in March, promising to kill more homosexuals. The victims have been strangled or sufficiated.

### Jakarta to Allow Talks on East Timor

JAKARTA (Renters) — Indonesia and Tuesday it was willing to allow and take part in talks between pro-Indonesian figures in East Timor and enles who oppose Indonesia a presence in the former Portuguese colony. Lopes du Cruz, an East Timorese who works as an ambassador at large for Indonesia, said. President Subarto had agreed to a proposal by Timorese exiles to open ties. Such contacts would be the first since. Indonesia invaded East Timor in 1975, diplomats said.

Mr. da Cruz and Foreign Minister Ali Alafas both stressed that any such meeting would be informal and would not discuss Indonesia's superiority over the territory Indonesia americal it in 1976 in a more

sovereignty over the territory. Indonesia amested it in 1976 in a move condemned by many Western countries and not recognized by the United

## For the Record

At least 29 filegal leasing must from ladonesis drowned and 60 were dissing after the captain of a boat samughing them to Malaysia hit a indbar and ordered them into the sea on Tuesday, police said. [Reners] Nepal's most serious anti-government protests since 1990 have claimed at least five lives, opposition sources said Toesday. (Reuters)

## KLM and Northwest to Merge Routes

TRAVEL UPDATE

AMSTELVEEN, Amsterdam (Bloomberg) - KLM Royal Dutch Airlines and Northwest Airlines will merge their North Atlantic routes starting Sept. 26, KLM said Fuerday. The two airlines will offer passengers a combined service to 11 North American destinations using a central reservation system.

Together, the airlines will offer 87 flights from Amsterdam's Schiphol airport to U.S. cities. Northwest and KLM now offer a combined service to three U.S. cities from Amsterdam: Detroit, Minneapolis and Boston.
The combined service will include round-trip flights from Amsterdam to
New York, Chicago, Washington, Atlanta, Orlando, Houston, Los Ange-

Strikers from the Belgian strike Subene blocked the road to Brussels International Airport on Tuesday. "Flights are being delayed by 30 to 40 minutes," a spokeswoman said, "but we are still flying." (Reiner) New scensity equipment has been installed in the Holland Tannels, which connects Manhattan with New Jersey, since the authorities uncovered what they described as a terrorist plot to bomb both it and the Lincoln Tunnel, which makes the same connection under the Hudson River. Similar equipment was installed in the Lincoln Tunnel during the last time was a server of the last time was installed in the Lincoln Tunnel during the last time was a server of the last time was installed in the Lincoln Tunnel during the last time was a server of the l

provements over the last five years. Katharanda was virtually cut off Tuesday as torrential rain swept away bridges leading to the Nepalese capital. At least 13 people were killed by flooding and a landslide elsewhere in the country.

China International Travel Service amounted in agreement Tuesday to use the computer booking system of Australia's Jetset Tours in travel offices across China.

## said about 90 percent of Iraqi in-dustrial capacity damaged in the Gulf War had been repaired. But oin trafficking three years ago, an the shortage of imported raw mate-Germany to Free Arab Kidnapper Early

rials and the inability to export mean most factories work at be-

Iraqis are pinning their hopes on Security Council Resolution 687

ending the Gulf War, which ap-pears to say that the prohibition on

fraq selling oil will be lifted as soon as it has allowed all its weapons of mass destruction to be eliminated

and agreed to a system of long-term

The United Nations calculates

that the price of flour on the free

market has risen 1,672 percent since the embargo began, that leatils are up 9,140 percent, that milk and vegetable oil have risen 8,500

percent and that tea is up 6,000

Similar increases can be found

for all categories of goods from light bulbs to car tires.

Thais Pardon U.K. Women

BANGKOK - Thailand has

granted an amnesty to two British women, Patricia Cahill, 20, and Karyn Smith, 21, convicted of her-

coercion attempt and the business-

has been sensitive and complicated

industrial surveillance.

By Stephen Kinzer Yen York Times Service

BERLIN — German prosecu-tors announced Tuesday that they would soon release a Shirte Muslim kidnapper who has served half of a 13-year prison sentence and deport him to his native Lebanon.

The man, Abbas Hamadi, 32, was convicted in 1988 of abducting two German businessmen in Bei-

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ostage-taking. Both brothers are linked to the Party of God, a militant pro-Iranian militis in Lebanon. After Abbas Hamadi's effort to win his brother's release failed and he was himself arrested, a third brother, Abdel Hadi Hamadi, who is security chief for the Party of God, apparently directed the seizure of two German aid workers in 1989. ...

lived for several years.

German officials made repeated efforts to negotiate the release of

ny for an airtiner hijacking to which the frantan and Syrian govern-a U.S. Navy diver was killed.

But German officials resisted the German officials said they had German officials said they had

agreed to ease prison conditions for men were released unharmed. Ab- Abbas and Mohammed Hamadi, bas Hamadi was arrested soon afmoving them to a common jail and terward in Germany, where he had allowing them access to each other.

"We have not subjected our-selves to any kind of extortion," Foreign Minister Klaus Kinkel said The case of the Hamadi brothers at the time. "We have made no touching on issues of terrorism and promises, and no funds have been promised or delivered."

A spokesman for the Lebanese ssy in Bonn said that German and Lebanese officials had been discussing the question of Abbas Hamadi's release for months. "It is a matter that has been worked out between the two governments," the mokesman said. Abbas Ramadi came to Germa-

hostages to force the release of his the two, Thomas Kempther and citizenship. While in prison, he rebrother, Mohammed Hamadi, 28, Heinrich Streubig. The negotianounced his citizenship and towns which involved contacts with came a Lebanese national again. Hans-Jürgen Förster, spokes-

> early release of foreign prisoners if they are immediately deported. He said Abbas Hamadi would be released Ang. 8. Prosecutors insist that there are no plans to release Mohama

Hamadi. At his own request, he will soon be sent back to the prison near Frankfurt where he began serving his life sentence.

Mohammed Hamadi was one of two terrorists who hijacked a TWA

passenger jet after it left Athens on June 15, 1985. The hijackers held the plane for 17 days, killing the U.S. sailor and terrorizing the passengers and crew. Two years later, the German po-

ny in 1979, married a German at the Frankfurt airport when he woman and for a time held German was found carrying crolleges.

# Egyptian Militants on the Run

Executions and Mass Arrests Take Heavy Toll By Chris Hedges

New York Times Service CAIRO - The counterinsurgency campaign unleashed by the Egyptian government in recent weeks appears to have inflicted the worst damage on the Islamic militant movement since the extremists began a series of violent attacks 18 months ago, according to

government officials and militant leaders. "The Islamic Group has clearly been hurt," a Western diplomat said, referring to the principle militant organization. "The question is how much, and for how long. Many militants are lying low and trying to wait this out. And for all the force the government has employed it has still done nothing to address the poverty, unemployment and closed political system that pushed many young men into this extremist

The crackdown has seen hundreds of suspects arrested in the past few weeks along with swift and often harsh sentences meted out by special military courts.

The government has executed 15 militaris since

May, the largest group to have been put to death for political offenses this century. Seven other extremists, still at large, have been condemned to death in

A militant was hanged Tuesday to Cairo for the murder of a police officer in the southern city of Faiyum in March 1992, the official Middle East News Egyptian intelligence officials say they have pene-

trated many of the militants' cells, arrested several key

figures and uncovered large numbers of arms and bomb-making equipment. The government, with the aid of Pakistan, has shut down several of the offices where militants worked in the Pakistani city of Peshawar and has restricted the amount of money coming toto the movement from outside Egypt. Security has also been tightened along

the borders with Sudan and Lybia, where militants

have declined in the past month. But government officials, embarrassed by repeated "It is still too early to say whether the movement has

been broken," an official said.

The Islamic Group has carried out a series of bomb attacks and assassinations of police officers, Coptic

Christians, intellectuals, government officials and for-eign tourists in the last 18 months.

More than 180 people have been killed to militant-related violence since the campaign began, and the country's \$2.2 billion tourism industry has been

Several followers of Sheikh Abdel Rahman, who is now in detention in the United States, were implicated in the Feb. 26 bomb blast at the World Trade Center and a later plot to bomb other sites and carry out

assassinations in New York. An aide to the cleric was arrested Friday in New Jersey and charged with conspiracy to assassinate President Hosni Mubarak.

Mr. Mubarak, who faces no opposition in his bid to be nominated by parliament on Wednesday for a third six-year term in office, has been loath to carry out executions until this year.

Many of his critics say his decision to permit the courts to hand down death sentences, and the police sweeps that have left hundreds of people in jail with-out charges, may be counterproductive in the long term, although they concede that the measures have

momentarily crippled the underground movement. Of five militants hanged Saturday, three were found guilty of attempting to assassinate information Minister Safwat Sherif on April 20 when they ambushed his car. The minister's bodyguard was seriously wounded, but Mr. Sherif sustained only a minor ent on his hand.

Two of the three men were also found guilty of planting a bomb to Cairo that killed a police explosives expert who was trying to defuse the device. The remaining two men were convicted of placing a bomb under tourist buses ontside a museum on March 16 and tossing a homemade bomb at a bus.

Violent clashes, bomb blasts and assassinations by the Islamic Group, which claims the blind cleric Sheikh Omar Abdel Rahman as its spiritual leader, have declined in the parameters. The movement, and especially the Islamic Group, has had to disappear from public view for the moment, said a militant cleric in the Cairo slum of Imbaba. "All these arrests, the constant police sweeps and the information the police get from toterrogations have taken a toll. But if the government thinks this is statements last year that they had wiped out the anything more than a bill they are mistaken, and when movement, are being more cautious, saying only that the violence begins again it will be even more vicious and deadly.



VIVA SANDINO —A Sandinista supporter joining 50,000 others during a rally in Managua to celebrate the 14th auniversary of the movement's victory over the military dictatorship of Anastasio Somoza Debayle. The Sandinistas are now Nicaragua's largest opposition party.

no longer speak of the embergo as a burdle they have overcome. On the

contrary, they are emphasizing the hardship it inflicts on ordinary peo-

ple and Iraq's lack of foreign cur-

rency for buying the food and

medicine it is still allowed to im-

sanctions to be relaxed.

Above all, they are calling for

"It's immoral, you are forcing our doctors to practice unethical triage, only treating the worst cases

and reducing drug dosages," said Iraq's deputy bealthy minister, Chawky Sabri Morcos, who com-

plained that because of sauctions

the country has been able to spend

only \$150 million on imported

medical supplies since the embar-

go, compared with previous spend-

contracts signed but no money to pay for them because our overseas

sets are still frozen," said Trade

Minister Saleh. That's why the

subsidized rations we give everyone

are not sufficient for the whole

Industry Minister Amir Seadi

We have \$4.5 billion of food

me of \$500 million a year.

port at will

# UN Sanctions Drag the Iraqis Down to Primitive Existence

they have inflicted beavy damage.

New York Times Service BAGHDAD — An empty bed at the Ibn Ballady Children's Hospital in a poor Baghdad suburb is part of the reason President Sad-dam Hussein swallowed his pride this week and, after a year and a half of resistance, agreed to indefi-nite United Nations monitoring of Iraq's military industries to ensure be does not manufacture weapons

of mass destruction. The mother ran away last night with her child even though it is still sick," explained Dr. Nazar Ahmed Anbanki, the bospital director. 'People dou't want to be bospitalized because they can't afford not

to be earning money these days." It will be exactly three years on Aug. 6 since the UN Security

**NEWS ANALYSIS** 

finally to be influencing traq's deci-The world of ordinary Iraqis is

one where schools are without books, pencils or chalk, teeth are extracted without painkiller, premature babies get stuffed three at a time into any working incubator and many drugs and medicines are barely available. Orphanages report a steady rise to abandoned babies by families who cannot af-

blockade on Iraq that sent a devas-tating shock wave of inflation course. On his birthday, Iraqi tele-spiral, ministers and officials were through the economy.

Today, the grinding hardship that those three years of soaring prices and growing shortages have taking a ride to a golden carriage presented by his staff.

Meanwhile, a minor construction boom is under way in Bagh-dad's smart Mansur district as those whom Neville Chamberlain once described as "the hard-faced men who do well out of wars" build

themselves marble villas. But for most people life has become a grim struggle for survival in a world where the price of everything has risen by thousands of percentage points but salaries and pensions have only doubled, or occasionally tripled, at best

Last summer, when President Saddam executed 43 merchants in

**Bodies of 4 Alpinists Found** 

GRENOBLE, France - The bodies of four mountaineers, including three who were roped to-gether when they fell to their death in a weekend storm in the French Alps, have been found, police said Tuesday.

vision showed the president receiv-ing an enormous cake and then success to rebuilding its infrastructure of roads, bridges, electricity and telephone systems almost destroyed by bombardment during the Gulf War.

Visiting foreign journalists were told Iraq could afford to defy its enemies because it was on the road to self-sufficiency. Reconstruction proves Iraq has defeated the emargo, was the official slogan. Such brave talk is heard far less

today though with typical bravura President Saddam is building a new palace for himself on the Tigris as well as a double-decker bridge and a 350-foot-high red and white telecommunications tower.

This year, the president tried only to blunt the psychological im-pact of continuing inflation by banning imported goods from Iraq's shops.

"People were enraged by a world where luxuries were still available but at prices only a few could af-ford," explained Trade Minister Mohammed Mehdi Saleh. "It created jealousy, so we said no foreign

But in meetings with foreigners these days, government spokesmen

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He had planned to hold them as

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Council slapped an economic

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**RUE ROYALE. PARIS** 

# Powerful House Leader Accused of Embezzling Funds

By Stephen Labaton

New York Times Service WASHINGTON — The former possesses of the WASHINGTON — The former possesses as the House of Representatives has told prosecutors that he helped Representative Dan Rostenkowski, the powerprosecutors, defense lawyers and public records that describe some of the transactions.

The postmaster, Robert V. Rota, pleaded guilty in U.S. District Court on Monday to one count of conspiracy and two counts of embezziement and said he had helped an undisclosed number of lawmakers embezzle tens of thousands of dollars from his appointment in 1972 until 1991, when he resigned. Government and defense lawyers said that the

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gmilty plea was a significant step toward indicting Mr. Rostenkowski but that it could be weeks before the government moved against him. Still, the plea by Mr. Rota, who has agreed to testify against Mr. Rostenkowski, came at a delicate moment, when the House and Senate had just begun negotiations on President Bill Clinton's economic program.

As chairman of the House Ways and Means Committee, Mr. Rostenkowski will be one of the central figures in those talks, and Mr. Chaton will also need him badly in months to come as Congress considers health care, welfare, trade and other issues.

In court on Monday, Mr. Rota did not identify Mr. Rostenkowski, referring instead to "Congressman A" and to "Congressman B," who, the former official

said, had stolen \$9,300. The government also did not identify either lawmaker, but documents supporting Mr. Rota's plea arrangement showed that Mr. Rosten-Mr. Rota's plea arrangement showed that Mr. Rosten-Mr. Rota, 58, a career congressional official who Democrat who lost his Pennsylvania seat last year, was

Congressman B. Mr. Rostenkowski's aides said the lawmaker was in Chicago and could not be reached for comment.

"Over the course of two decades, at the insistence of certain congressmen, Mr. Rota repeatedly took cash from House Post Office funds and turned it over to these members," said J. Ramsey Johnson, the interim U.S. attorney in Washington. There is as yet no indication of how many lawmakers were involved or who any of the others might be.

Prosecutors said Mr. Rota was scheduled to be profit illegally as a political favor.

Mr. Rota, 58, a career congressional official who kowski was Congressman A and that Joe Kolter, a resigned as the Post Office scandal crupted last year, admitted Monday that be had provided the lawmakers

with a cover so that they could steal from expense accounts for office supplies through transactions that appeared to be legitimate. Mr. Rota's story provided a startling glimpse into the life of a figure familiar on Capitol Hill but seldom seen ontside Washington: the federal patronage em-

ployee eager above all to please those who gave him his

Throughout the scheme, prosecutors said, Mr. Rota did not make any money. Rather, be helped others

# Gay Issue Is Settled **But Not Forgotten** The state of the s **Both Sides to Hound Clinton**

By Richard L. Berke New York Theses Service

WASHINGTON - In anallowing homosexuals to serve in the military, President Bill Clinton is seeking to close the book on an . explosive issue that has become a benchmark of the White House's ocrat who heads the Armed own political nalveté.

But his announcement, carefully staged Monday before an andience of military brass, will not make the furor go away. Indeed, it threatens to haunt him throughout his presi-

I think it will be used against him every time he opens his mouth, said Albert McAlister, the Democratic state chairman in South Carolina Mr. McAlister said Department's longtime ban on ho-

mosexuals.

"If you talk to people downSouth about the president," he
said, "sometimes the first thing
they'll say is they talk about his position on gays in the military." Advocates on the opposite side of the debate, particularly those who demanded a complete lifting

of the ban, are not cheering either. This will only guarantee that the debate will become more bitter. more divisive and a bigger political issue," said David B. Mixner, a major Clinton frad-miser among homosexuals last year whose rela-tions with the president have been strained over military service. This was one of those maineaut in anyone's presidency where he ether hears a call to greatness or surrenders. He made no number fight. He cities a sufficient fine surrenders to the surrenders and their with account code defeat."

Under the new policy, homosex

uals cannot be barred from the mil. Even so, Mr. Baner added, the itary on the basis of their ories tion but can be discharged for sexual conduct or for behavior showing a "propensity or intent" to engage in homosexual acts.

Some White House officials now for Mr. Clinton to have begun act-ing on so emotionally charged an issue only days after his manganaiste only days after as mangana-tion in January, particularly with-out having adequately consulted the military chiefs and some con-gressional leaders; whose opposi-tion to an outright lifting of the ban

proved insurrountable. And in trying to resolve the issue by seeking a compromise, Mr. Clinton only prolonged the debate, extending the period in which he was vulnerable to criticism that he had abandoned his campaign promise.

Although the president has in-

sisted that he never became precocupied by the issue, no other matter has caused him so much political setts, a homosexual, "this wouldn't agony on so many different fronts.

Critics on the right are furious that a small step, but Clinton was able he would propose giving special to do something that makes life less treatment to homosexuals. Those awful, or less unbearable, for some on the left have rebuked him for gays and lesbians."

job of keeping the peace.

**Away From Politics** 

e Mayor David Dinkins's landing of 1991 anti-Jewish riots in Brook-lyu in which an Australian rabbinical student was killed was criticized in an official report that said the New York police made numerous

errors. The report on the Crown Heights riots of August 1991 criticized Mr. Dinkins for not making sure the police carried out their

s Colorado's Supreme Court refused to put into force the anti-gay

rights amendment that triggered a nationwide boycott of the state, saying the law probably violated the U.S. Constitution. The amend-

ment, approved by 53 percent of Colorado's voters, would ban state and local laws prohibiting discrimination based on sexual orientation and would strike down gay-rights ordinances on the books in Aspen,

backing down on his campaign

From the beginning of his presihis stature as commander in chief and his relations with some mem-bers of Congress, particularly Sen-ator Sam Numn, the Georgia Dem-Services Committee and who sup-ported the Pentagon's ban.

All the furor arose from a campaign pledge on a matter that was

### **NEWS ANALYSIS**

not the most important issue, either to him or even to homosexual rights groups, most of which were far more concerned about the fight. scatiment had run strongly there neither he nor they anticipated how Deposit war a least strong to the fight. how easy it would be for others to

"I can't think back to a president burt so early on by his own handnot since President Ford's pardon of Richard Nixon, and that was a very different kind of issue." said Barbara A. Perry, a professor of government at Sweet Briar College in Virginia. "He did not anticipate the vociferous nature of the opposi-

Few on either side of the issue are willing to give the president a break. Gary L. Baner, president of the conservative Family Research Council, who supported the Penta-gon's ban, sounded strikingly simi-lar to opponents of the ban, saying that Mr. Clinton had failed to demconstrate moral leadership.

He and that had the president histor by his earlier pledal. "I think people would respect that more, that he has the courage of his con-

case the idea that he's a moderate; because he still comes across as beholden to the gay rights constitu-

Advocates of equal rights for hothey would not allow the issue to disappear. The Lambda Legal Defease and Education Fund and the American Civil Liberties Union announced that they would file a court challenge on behalf of "the sens of thousands of lesbian and gay service members who are de-nied their constitutional protections under the new directive."

Mr. Clinton does have his sympathizers, who note that even under the compromise he has moved more boldly than any other president to ensure gay rights.
"If this man had not been presi-

dent," said Representative Gerry E Studds, Democrat of Massachusents, a homosexual, "this wouldn't even be on the national agenda. It's



President Bill Clinton with the new FBI chief, Louis J. Freeh, whom Mr. Clinton priased as a "law enforcement legend."

## FBI: Clinton Names a Fighter Against Narcotics Trade to Head the Bureau

wanting to be an FBI agent. Soon Salvatore Catalano, was convicted

and sentenced to 45 years in prison.

"Drug dealing is a disease, it's a

Continued from Page 1

called him "the single best person to head the FBL" Mr. Giuliani, a Republican who running for mayor of New York,

is the former longtime federal pros-securor in New York, and Mr. Freeh-served as his deputy before being-named by President George Bush to a federal judgeship in 1991.
"The FBI's morale has been re-stored with the single act of naming Louis Freeh," Mr. Guliani said.

He added that he believed one of Mr. Freeh's primary tasks would be to move the bureau and its 10,324 agents further into international

after graduating from law school at Rutgers, he joined the bureau and helped lead a racketeering investi-gation of the dock workers' union that led to the convictions of more mum sentences. "There are war helped lead a racketeering investi-- - zones in this city that have been than 120 people. He left the agency six years later devastated by these defendants."

to become a federal prosecutor in New York, a role that led him into two of the most prominent criminal investigations of the 1980s. Mr. Freeh was the lead prosecu-

The trial lasted more than a year

Mr. Freeh grew up in New Jersey and a reputed former Mafia boss.

## Panel Backs Arms for Taiwan

Defense industry analysts said Tuesday that the decision, if ac-Taiwan every year. It was also likely to anger China, which opposes any action that strengthens Taiwan, over which it claims territorial

The State Department had lobbied against adoption of the provision, said a congressional aide who

because it could translate into new jobs and because of congressional displeasure over Beijing's buman rights record and its sales of nucle-

# \* POLITICAL NOTES

No Liberal, No Conservative, Says Ginsburg

WASHINGTON - President Bill Clinton's nominee to the Supreme Court, Ruth Bader Ginsburg, pledged on Tuesday to try to make her rulings impartially, rather than as a liberal or a conserva-

tive, if she is confirmed.

"My approach, I believe, is neither 'liberal' nor 'conservative'." Judge Ginsburg said in a written opening statement prepared for her confirmation hearings before the Senate Judiciary Committee.

The 60-year-old federal appeals court judge also said that it would be wrong for her to say how she would view specific issues before the court, such as abortion.

The nationally televised hearing opened with leading Democratie and Republican senators indicating general support for the nomination even before they started asking questions.

"A judge sworn to decide impartially can offer no forecasts, no hints," Judge Ginsburg said, adding that "it would display disdain

for the entire judicial process." Barring unexpected trouble, she could breeze through the hearing by the weekend — in stark contrast to the uproar over Clarence Thomas's nomination in 1991. "My guess is that she will be approved unanimously," said Senator Paul Simon, an Illinois Democrat and committee member. (Reuters, AP)

### A Big-Ticket Yank for High-Speed Eurotrains

WASHINGTON - Robert A. Farmer, a well-known Democratic fund-raiser, registered last month as a foreign agent. He will be the \$500,000-a-year ehief executive of the U.S. office of a French-English-owned company.

The company, GEC Alsthom Inc., is part of a group that won the franchise to build a high-speed rail system in Texas, Mr. Clinton has proposed federal funding for high-speed railroads and, according to Texas news reports, the GEC group is seeking \$10 million for

Mr. Farmer, who raised money for the Clinton campaign and has said he is raising more to boost the administration's health care package, joined the firm in March. He said the company had \$1 billion in sales in the United States, including building cruise ship: for Miami companies.

He declined to say whom he had approached on behalf of GEC

### Expanded Political Leeway for Civil Servents

WASHINGTON - Legislation expanding the rights of most federal employees to participate in partisan political activity was adopted, 68 to 31, by the Senate on Tuesday.

The vote liberalizing the 1939 Hatch act came after the Senate acted to keep employees of the Justice Department's criminal division under the stiffer current rules.

The Democratic-controlled Senate acted after it disregarded Republican warnings that the change would politicize the civil service. But in the days before the vote, Republicans succeeded in excluding from the provisions of the bill employees of all major law enforcement and national security agencies of the federal government, about 85,000 workers.

The House passed a separate version of the legislation earlier, and the differences must now be worked out by the two chambers for it to

The Senate Republican leader, Boh Dole of Kansas, said that the bill bad been improved but that the changes made in it during debate

"don't go far enough."

"With these new rights, the very real danger is that the quality of our Civil Service will decline as politics replaces merit as the key factor in hiring and promotion decisions," Mr. Dole said,

But John Glenn, an Ohio Democrat and floor manager of the hill, said the measure would bave no such effect: "My legislation draws a bright line for federal workers so they know that all political activity is banned on the job and also know what is acceptable political activity off the job."

(AP)

### Quote/Unquote

Tom Dietrich, a National Weather Service hydrologist in St. Louis: "The good news is that the river has crested. The bad news is that it's going to stay high for quite awhile."

Foreign Relations Committee, de-fying State Department recom-mendations, has voted to abolish a cal year, would allow as many U.S. 13-year ealing imposed by successive U.S. administrations on weapons sales to Taiwan.

WASHINGTON - The Senate adopted on a 20-to-0 vote last week

mean hundreds of millions of dol-lars in additional U.S. arms sales to spoke on condition of anonymity.

The provision was expected to win the support of the full Senate

ar and missile technology.

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Mr. Freeh also directed a Justice

Department task force in a compli-

cated civil rights and bombing in-vestigation in the South that led to

the marder conviction of Walter

Leroy Moody Jr. after mail bombs killed a federal judge in Alabama

and a civil rights lawyer in Georgia.

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### An American suspect in the shoot-out that killed a cardinal and six others at the airport in Guadalajara, Mexico, was arrested in San for General Dynamics.

## ASIA: U.S. Shifts Focus of Foreign and Trade Policy Away From Europe Continued from Page 1

being asked by Washington whether they are ready to start taking politically painful measures to lowor barriers to trade and investment in the Asia-Pacific to help anchor U.S. in region, spur economic growth and counter protestionist tends in the U.S., which is the ingest market for East Asian ex-

The proposed smunit meeting, would likely follow a scheduled conference in Scattle in November of APEC foreign and trade minis-

Austrafia, Canada, Sugapore, the Philippines and South Korea thave already said that they will rattend the summit talks. But analysts said that if China, Japan or Indonesia stayed away, it.

would be a personal embarrass

Bent for Mr. Chaten and a setherk for Asia-Pacific integration.

Some officials of APEC countries warned Tuesday that if the United States was rebuffed, it might lose enthusiasm for the idea of a Pacific Community.

There's a real risk about slapping President Clinton in the face, a senior Australian diplomat said. Most countries in East Asia and the Western Pacific, he said, fa-

world a strong U.S. economic and security presence to maintain stability in the area and discourage any regional power from emerging in a dominant position. The diplomat noted that since

Mr. Chinton's election in November, many Asian officials and analysts had been saying that he was "a Enro-centric with an administration that is heavily focused on NATO and traits Atlantic ties." In Tokyo, Mr. Clinton took a very different tack by emphasizing that growth of the U.S. economy,

exports and jobs had become in- today is with Pacific Rim nations. creasingly dependent on trade with and the proportion is growing. "In years past, frankly, some

Diego, the authorities said. The U.S. Marshals Service said Jesus Zamora Salas, 20, was captured in a Lompoc, California church. · A 29-year-old woman said that she was shoved overboard into

. Florida's Pensacola Bay after she refused to have sex with her boating partner. Police charged the man, Nicholas Kounelis, 49, of Pensacola, with attempted murder and attempted sexual battery.

• The Kinsey Institute might close or relocate if Indiana University does not restore full funding to the sex research center, board

members said. The university has cut by 50 percent its annual funding for the institute, founded in 1946 by a sex research pioneer, Dr. Alfred

An Atlas 2 rocket blasted off from Cape Canaveral carrying a military communications satellite and breaking a string of bad luck

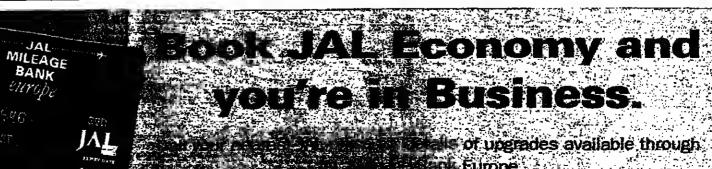
His Tokyo speech followed a se-nies of acrimonious U.S. trade dis-putes with the European Comma-athreat, "Mr. Clinton said. "I see it nity and growing difficulties for very very differently. Washington in extending a free trade pact between the United States and Canada to Mexico and

C. Kinsey, who ran it until his death in 1956.

eventually other Central and South American nations. Mr. Clinton pointed out that more than 2,3 million American jobs were tied to goods worth \$120

billion the U.S. exported to Asia in While Europe was the main U.S. trading partner until a decade ago. more than 40 percent of U.S. trade

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# **U.S.-North Korea Deal: A Starter?**

rational Herald Tribione

PARIS - While the nuclear accord reached by the United States and North Korea has only limited technical significance, experts said Tuesday that it could point the way to a broader political bargain leading the Pyongyang regime to abandon plans to build atomic weapons.

The main development from the Geneva talks was North Korea's agreement to open talks with the interview that his government ex-International Atomic Energy Agency about letting UN inspectors visit suspect nuclear sites.

In exchange, North Korea has already attained its goal of a politi-cal dialogue with Washington that some say may amount to international recognition for Kim Il Sung. 31, who presides over one of the world's last Communist regimes.

Over the last three months, the North Koreans got something they have wanted: sustained, reasonably nigh-level discussion with the United States," according to Thomas L. McNaugher, an Asia specialist at

ington.
Echoing that point, a North Koas an important step toward better about the risks of a nuclear arms bilateral relations between his government and the United States that he said must be followed up.

Pah Dong Tcboun, ambassador to France, one of the few Western nations that has diplomatic relapected to see his government and ar power and hoping to extract a Washington take "further concrete political price for abandoning the steps toward the denuclearization program.

"If the North Koreans are going of the whole continent" in the next two months.

Some analysts feel, however, that North Korea might simply be maneuvering to gain time or adopting less confrontational tactics in order to ease international pressures while continuing to pursue nuclear weapons secretly, even if it eventually accepts the added complication of letting IAEA inspectors

back into the country. Last month, North Korea tested

the Brookings Institution in Wash- a rocket that could carry nuclear its soil - are a way for the Pyongwarheads as far as Japan - a development that alarmed Tokyo and rean diplomat described the accord prompted Japanese leaders to warn

> race in Asia. But Mr. McNaugher, expressing cautious optimism, said that North Korean readiness for talks with the UN agency lent support to the view that the regime was finding it too costly, difficult and dangerous to continue trying to become a nucle-ar power and hoping to extract 2

> to get out of the nuclear business, he said, "they want to get the politics right, meaning that they want to do it in a way that avoids embarrassment and assures their legitimacy. Then they can worry about economic challenges.

In his view, North Korean complaints about nuclear threats to its existence - ignoring assurances from South Korea that it no longer has any U.S. nuclear weapons on

yang regime to voice fears that it will suffer the fate of Communist

regimes in Eastern Europe. In fact, some observers say that South Korea wants to avoid the collapse of the Pyongyang regime and an expensive German-style reunification. The Clinton administration, by seeking a way to work with North Korea on nuclear issues, may have persuaded hard-liners there to seek accommodation.

## ■ Seoul Welcomes Move

South Korea on Tuesday welcomed the North's decision to resume talks on opening its suspected nuclear sites to inspectors as an important step toward easing ten-sions on the Korean Peninsula, Reuters reported from Seoul.

"We evaluate the results of the U.S.-North Korean contacts in Geneva as an important step toward resolving the North's nuclear problem," a South Korean Foreign Ministry spokesman said in a state-

# Arms Sales to Third World Plunge

## 20% Drop Attributed to Falloff in Russian Exports

By Eric Schmitt

New York Times Service WASHINGTON - Arms sales to the Third World fell last year to their lowest levels since at least 1985, primarily because Russia's sales hit record lows, the Congressional Research Service reported. Sales from Russia to the Third World plummeted to \$1.3 billion. Sales from the Soviet Union were \$5.9 billion in 1991, and had reached a high of \$28.8 billion in 1986. Russia was by far the largest arms producer and exporter of the Soviet

Overall, arms sales to the Third World dropped 20 percent to \$23.9 billion, from \$28.6 billion in 1991, measured in constant 1992 dollars. U.S. sales to Third World countries fell slightly, to \$13.6 billion from \$14 billion in 1991, but Washington's share of sales increased to 57 percent from 49 percent in 1991. It was the third consecutive year that the United States was the largest seller to Third World nations.

Richard F. Grimmett, who prepares the report each year, said on Monday the reasons for the reduction in arms sales included the end of the

Cold War and the reduction, especially by Mos-cow, of military aid programs that granted deep discounts to Cold War clients.

But arms exports remain one of Russia's main sources of hard currency to help sustain political and economic reforms; and the Russians have sought enstoners that can pay cash, like fran. In addition, Moscow has sought to dram up bosiness. with China, a former adversary that wants advanced weaponry, and India, a longtime client that has eagerly pursued deals for Russian missile technology.

The new sales have raised concerns among American officials, who worry that their efforts to curb the spread of advanced weapons could be undermined by Russia's need for cash.

On the strength of the sale of 60 Mirage 2000 jets to Taiwan, France last year sold \$3.8 billion of arms to Third World countries, up from \$2.8 billion in 1997. Britain, the third-leading arms exporter to the Third World, mreased its sales last. year to \$2.4 billion from \$2 billion.

The Middle East remains the largest arms market in the Third World.

## Sihanouk Drops Plans to Consult Khmer Rouge

- The Amountal Press PHNOM PENH -- Prince Norodom Sihmouk save he is abandoning peace talks with the Kinner Rouge because of U.S. threats to withhold economic aid from Cambodia.

in a statement issued in Beijing. Prince Sinanouk, 72, said he no longer planned to meet the Klamer Rouge in September or after that

But the prince is known to fre-quently change his mind.

The prince who has recently been treated in Beijing for a series of ailments, said "incessant" Americin warnings were making him even more ill and driving him toward "a mental asylum"

The United States has said it would not aid any government that included the Kluner Rouge, which is blamed for the massacres of himdreds of thousands of people and which did not participate in the UN-sponsored election in May.

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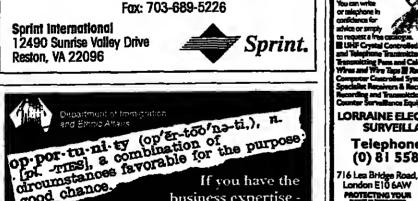
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the presidency says that if peace cannot be achieved on the basis of

its plan, it is ready to ask the Secu-

nity Council to put the Bosnia-Her-zegovina Republic under a protec-

voys are allowed to travel

Three presidency members, a Serb, a Croat and a Muslim, have

been working on the peace plan

Sources said the talks might not start until Friday or Saturday to give time to an EC mission headed

by the Belgian foreign minister, Willy Claes, to persuade Mr. Izet-

begovic and his vice president, Ejup Ganic, to return to the talks. Heavy fighting between Bosnian

government forces and their former

unhindered.

since June 30.

central Bosnia

# Aide Quits After Confronting Miyazawa

TOKYO - A Japanese minister demanded Tuesday that Prime Minister Kiichi Miyazawa step down, then resigned himself-when his demand was rejected.

The sudden decision by the min-

The make ! Pate With

> ister of posts and telecommunications, Junichiro Koizumi, hirther weakened Mr. Miyazawa's grip on power following the Liberal Democratic Party's setback in elections

> "It is not that I am obsessed with the position," Mr. Miyazawa told a Liberal Democratic Party committee on Tuesday, party officials said. Please don't misunderstand me.

I will soon make such a decision." It is expected that potential co-alition partners will make Mr. Miyazawa's resignation a condition for joining any governing coefficien, and party insiders said they expect-ed him to announce his resignation during a meeting of his party's law-

makers on Thursday.

The newly formed Committee for Advancement and Party Unity. headed by a party elder, Toshio Komoto, has begun the ardnoss task of trying to find a candidate who would be acceptable to all

wings of the party.
Since the Liberal Democrats lost their majority on Sunday, the can-didate must also be able to con-vince unwilling opposition parties to join in a governing coalition or at least an alliance.
"We must keep the opposition in

mind in choosing the successor,"
Mr. Komoto said.



leading Liberal Democrats have already spoken out in public, urging Mr. Miyazawa to resign to take responsibility for the party's fall from favor and clear the way for a

But it was a highly unusual step for Mr. Kozumi to make the demand directly to Mr. Miyazawa at the cabinet meeting on Toesday.

Japanese ministers, who are appointed by the prime minister, hardly ever show disloyalty or

make such demands face-to-face.

Cabinet meetings themselves are down. "I am doing this job at the party's behest It will determine my nt decisions made beforehand. typically brief affairs, with important decisions made beforehand.

Immediately after Mr. Koizumi made the demand, the chief cabinet secretary, Yohei Kono, ordered him to retract his remarks.

Mr. Koizumi refused, and anjockey for power. nosmoed he was resigning. He later handed in a formal letter of resignation which Mr. Miyazawa ac-

"I directly advised the prime minister about his future, and that's a very serious thing," Mr. Koizum said, "Having said that, I thought it was appropriate for me as a cabinet minister to submit my

With the charus far Mr. Miyazawa's departure growing, it was unclear how much longer he could hold on.

Mr. Koizumi commenting Tuesday on his decision to resign.

Mr. Miyazawa, 73, considered a lame duck since losing a no-confidence vote in June, surprised party members Monday when he refused Mr. Kozumi and several other to resign immediately, saying he ading Liberal Democrats have alconsidering the views of party members.

"I have no intention of just hanging onto my position," Mr. Myazawa said, speaking to party leaders who had urged him in step A Plea for Help

With no single leader in charge after elections that left no party in clear control, Japan faces a period of political instability as groups

A group of younger members of the Liberal Democratic Party is-sted a statement Monday urging The presidency also suggests a reconvening of the London Conference of last year, but only if a cease-Mr. Miyazawa to immediately step fire is declared first and if aid con-

The economic newspaper Nihon Keizai commented: We understand Mr. Miyazawa still has a lot to say, but his role as prime minister is imished."

During the formation of the new government, Japan's powerful bu-resperats are expected to keep running day-to-day affairs, and no major policy shifts are expected even after a new administration takes

But the lack of strong central

leadership is likely to hinder pro-gress on tough trade and economic Mr. Miyazawa was forced to call Sunday's elections after his govern-ment lost a no-confidence vote on

the issue of political reform.

## Tito Limousine Is Up for Sale

BELGRADE - The cashstrapped Yugoslav Army is auctinning a Rnlls Rnyce Phantom V given in the 1960s by Queen Elizabeth II to the Communist president, Tito, and hopes bids for the 1960 model will start at \$814,000.

The luxurious 6-meter (19.5 feet) limousine, equipped with a bar, is now on display at Beigrade army headquarters. Tito, who died in 1980 after ruling Yugoslavia for 35 years, was a collector of huturious items, including cars.

The Yugoslav Army has found itself in deep economic trouble because of tough United Nations sanctions imposed last year and because of Serbia's financing of rebel Serbs in Croatia and Bosnia.

positions seized by the Serbs durng the day.

allies, the Bosnian Croat militia. was reported in several areas of In central Bosnia, where government troops and Bosnian Croatian Major Luuk Niessen, a spokesmilitia have been battling for terriman for UN peacekeepers, said tory, Major Niessen reported heavy fighting in Gornji Vakuf, where and skinheads who have attacked \$240 million under a multilate shells hit a barracks housing British foreigners and desecrated Jewish peacekeepers. (AP. Reuters) cemeteries in the last three years. ing nations phase out such use. sketchy reports from Mount Igman indicated that Bosnian forces were attacking at night and recapturing peacekeepers.

# Kohl, Recalling Hitler, **Urges Fight on Racism**

BERLIN - Chancellor Helmut

violence sweeping Germany.

"July 20 reminds us of our duty to respect the inalienable dignity of uman beings and to work unceasversary of Colonel Clans Stauffen- on vacation, the police said.

with a bomb. "Law, human dignity and freedom can only become fundamental to national life if they are combined with the qualities of loyalty, cour-

berg's bid to kill the Nazi dictator

age and a sense of duty," he said. The deputy mayor of Berlin, Christine Bergmann, who co-chaired the anniversary commemoration, said that it was "more important than ever to recall the era now that some young people are openly championing the darkest chapter of German history and

committing shameful acts."

She was alluding to neo-Nazis and skinheads who have attacked

Rightist extremists have killed 26 people in 18 months.

Solution from a suspected arson attack overnight in a building housing foreign-Shortly before she spoke, Gerers in this town near Herford, the

police said The fire appeared to have been ingly for peaceful co-existence started with a match and turpenamong peoples," Mr. Kohl said in a tine in a first-floor apartment statement marking the 49th anni- whose Iranian tenants were away

### Malaysian Official Notes Lack of Ozone Funding

KUALA LUMPUR - Rich nations are attempting to derail a global fund set up to help developing nations avoid using ozone depleting substances, a senior Malaysian official said Tuesday.

Environment Minister Law Hieng Ding, at a conference here, said developed nations had contributed only half of the targeted \$240 million under a multilateral fund set up in 1990 to help develop-

## Russian Lawmakers Act to Restore Strict Controls Over Alcohol Trade

MOSCOW —The Russian parliament moved Tuesday to restore order to the increasingly chaotic alcohol trade with strict controls on sales, production and advertising.

A new law said state enterprises producing pure spirit — the basis of vodka — could not be privatized os leased, Interiar news agency said. The enterprises must obtain a state license and a production

The amount of pure spirit produced and sold is to be decided by the government, Interfax added. The sales of alcohol would be conducted only under a license, issued by district or city administrations. The law also said the quality of alcohol should correspond to

If implemented, the measures will affect the flourishing street trade in domestic and imported spirit and may send already high prices higher. The wolks market has been a leading source of state

revenues since czarist times. The government freed prices on vodka in May 1992 but retained the state monopoly on production.

# ITALY: Death of an Executive

dal began to unfold, Mr. Cagliari, which Mr. Cagliari was being re-

dal began to unfold. Mr. Cagliari, which Mr. Cagliari was being re67, had been held in connection manded in fail.
with alleged kinkbacks—4 billion
line (\$2.5 ml) — 4 billion
line (\$ He returned to his cell alone at 9:30 Italy's overall industrial and com-while his two cellmates went out mercial sector is being undermined.

side for air and exercise. Ten min- Not only are large mambers of utes later, his body was found. Senior managers under suspicion utes later, his body was found. senior managers under suspicion.

Mr. Caghari resigned from ENI but whole areas — especially conshortly after his arrest. The \$30 struction have ground to a halt.

troleum company AGIP, which has glian's death a "tragedy" and said, This was using custody power as a simple instrument of forture. Parliament must act urgently to stop the judicial degeneration of the Re-

A former prime minister, Bettino Craxi, forced to resign as Socialist Party leader because of the scandal, called Mr. Cagliari "another victim of the violent use of judicial pow-

Justice Minister Giovanni Conso, addressing the lower house of parliament, said the government would "reflect very carefully" on ossible reforms to the preventive

The Republican Party parlia-mentary leader, Onglichno Castag-netti, called for an urgent examina-

REASSERSE DE ROODE LIEUW

tion of the custody laws under

called the poisoning death of Michele Sindona, a financier who died gas stations around Europe. chele Sindous, a financier who died
The Liberal Party vice president, in prison in 1986 after drinking
Raffaelio Morelli, called Mr. Cacyanide-laced coffee. The family cyanide laced coffee. The family claimed he was murdered, but a judge ruled it suicide.

Republican Aide Held

Aristide Gunnella, a former Republican Party minister, was arrested in Palermo on Tuesday in the corruption probe, Sicilian police told Reuters in Palermo.

Mr. Gunnella, who has been missing since July 14, is accused of receiving illegal contributions from two businessmen for his party's 1991 local electoral campaign.

The former minister without portfolio in charge of regional affairs is also accused of taking a bribe in connection with the awarding of a contract to build an aque-duct in Sicily.

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# Toward a Different Japan

What happened to Japan's predicted electotal revolution? The morning after the vote, many familiar faces could still be found at center stage. The Liberal Democrats remain the biggest party — by far. Prime Minister Kiichi Miyazawa even talks ahout hanging on to his job, at least for a few weeks.

Yet Sunday's election results portend a very different Japan. The old political arithmetic that assured the Liberal Democrats a permanent majority over a dogmatic and marginalized Socialist opposition has been replaced by a new math of fierce competition from new center-right groups, some of them composed of disaffected members of the old guard.

After the votes were tallied, the Liberal Democrats held 223 seats, their combined center-right rivals 175; the Socialists were left with a mere 70. In the short term, various permutations could produce a working majority of 256. In the longer term, a new era of competitive politics has almost certainly arrived.

That competition means that politicians will need to pay attention in the interest of ordinary voters, not just the old "iron triangle" of bureaucrats, business leaders and Liberal Democratic facrinn bosses.

For Americans, the new politics, after an

awkward transition period, should make it easier to achieve some long-sought goals, like more open markets, less behind-the-scenes bid rigging and more readiness to stimulate consumer demand during recessions

Democratic accountability by itself will not dissolve economic tensions. Consider, for example. America's sometimes testy trade relations with democratic France. But generally, democracies do better at working out their economic quarrels without slipping into the kind of demonization that has poisoned ties between the United States and Japan.

The old political system was a hybrid of Japanese feudalism and General Douglas MacArthur's postwar democratic reforms. Launched with American support in 1955, the Liberal Democratic Party won solid backing from generations of Japanese voters and sive U.S. governments as the best vehicle for rebuilding a war-ruined economy, restraining militarism, and assuring a pro-West-ern security alignment during the Cold War.

Eventually that system was undermined by its own remarkable success. Japan emerged as an economic powerhouse, and the West won the Cold War. Today the main political issues are how Japan wants in use its new wealth in build a more livable society, and what role it chooses to play in a world no longer defined

Issues like that cannot be solved by technocratic "guidance" from the old iron triangle. Only democratic debate and competiove poliocs can provide satisfactory answers. Sun-day's vote makes that kind of democratic competition possible.

-THE NEW YORK TIMES.

# Return of a Lawyer's Fee

Abraham Sofaer, who was the top lawyer at the State Department from 1985 to 1990, contracted recently to represent Libya in dealing with the legal consequences of the bombing of Pan Am Flight 103 over Lockerbie, Scotland. There was nn law against it, no lawver's rule of ethics or State Department rule. But it was a smelly example of revolving door lawyering, with Mr. Sofaer switching sides in the struggle over Libyan terrorism. To his credit, he changed his mind on Friday and withdrew from the deal. He said that too many reasonable people disagreed with his earlier view that he could represent Libya, for money, with propriety. He would now return his fee.

Why Moammar Gadhafi, the Libyan leader, wanted to hire the lawyer who devised the rationale for hombing his house in 1986 was just another of the zany dictator's puzzlers. Most probably he seeks respectability without surrendering too much to demands to compensate the families of the bombing's victims

and deliver two suspects wanted for trial. Like many Washington lawyers, Mr. Sofaer took the deal in the questionable belief that be could tame his client and induce Libya to comply with the law. He said he would have tried in settle matters and not defend any action of Libya. But he undertook a duty of fidelity to a client branded a terrorist state by his former client, the United States. He was wise to heed the reasonable reaction against such a tasteless transaction.

-THE NEW YORK TIMES.

# **A Clinton Compromise**

For the half-century before President Bill Clinton took office, homosexual men or women who sought to serve in the armed forces or whose record of service in uniform was exemplary were still considered unfit for duty if their sexual orientation became known. Nothing else about them was relevant - oot their performance, or their character or honor. That 50year-old rule, which flatly held homosexuality incompatible with military service, was aftered on Monday by Mr. Clinton, and in a way that takes the issue to a new place in history. Under the new Department of Defense poli-

cy issued by Secretary Les Aspin, homosexual orientation, as distinct from homosexual conduct, will be treated as "a personal and private matter, and ... not a bar to service entry or continued service unless manifested by homo sexual conduct." This change is far less than the more ambitious goals Mr. Clinton announced during the campaign — a point he acknow-ledged on Monday. Consensual homosexual conduct, whether private or public, is still grounds for exclusion from the military. So, in the context of a total lifting of the ban, the new policy may not be the "major step forward" that the president says it is. But it is an important step away from the worst aspects of an unjust policy and practices that penalized and stigmatized men and women who have served their country with pride and distinction.

The more sordid aspects of military life, the witch bunts, entrapments and surveillances of service members based on lone allegations or suspicion of homosexuality, are now banned. Neither will military intelligence or police

units be free or encouraged to launch investigations based on a service member's presence at a gay bar or a march or because gay literature has been glimpsed in a foot locker. The policy also requires the Uniform Code of Military Justice to be evenly applied —that is, homosexuals and heterosexuals engaging in the same sexual oo-nos must be accorded the same treatment by commanders who feel compelled to conduct an inquiry. The whole idea behind the policy is to downgrade the military's official interest in sexuality - provided that service members who are homosexuals keep their proclivities out of sight.

Critics will say the policy still caters to unreasonable fears and biases, and that as a condition of service, homosexuals are being asked to deny who they are. The critics will have it right But a return to last year's policy would be wrong, too. And that is where President Clinton was beaded in January if he had unilaterally lifted the ban. He said some of the things on Monday that he should have been publicly saying all along, and be did not in the end produce the clean result that his commitment logically required. For this he was somewhat apologetic. But he believes that the start he has made will lead inevitably to the eventual honoring of that commitment. That is what those who would have preferred a stronger policy should be hoping and, importantly, working for now. Meanwhile, the worst thing that could happen would be for those on the other side in Congress to try to take things the other way -back to where they were for 50 years.

- THE WASHINGTON POST.

## Other Comment

## Uncertainties in Tokyo

The new government (or its successor) will have to oversee a great deal of difficult economic as well as poliocal reform. The general economic shakeout and the reform, under American pressure, of government procure-ment, of the wholesale and retail sectors, of professional services and agriculture will see unemployment rise toward Western levels and undermine many of the certitudes of Japanese postwar politics. While no one should underestimate the resilience of the Japanese economic and political systems, it is the kind of environment in which Japan has been found to perform poorly. Japan is brilliant at achieving goals but, as it showed in the 1970s, it can bave great difficulty when the

Unfortunately for the rest nf the world, no politician in Japan will now have time to worry about the great economic questions

goals themselves become the issue in dispute.

- Australian Financial Review (Sydney).

troubling everyone else. Until the political hnrse-trading is dnne - and this can take several weeks - all such matters will have to wait. This includes the need to stimulate growth, open the home market further and put priority oo the trade negotiations now under way in Geneva.

It also remains to be seen whether Japan's political system will transform itself without damaging the trade and economic policies which were sustained by that system. - Business Times (Singapore).

## Stalemate in the Mideast

A trip to the region is warranted by Warren Christopher to personally urge restraint nn all parties. The progress to date must be preserved. And momentum toward wider agreements must be created. James Baker helped create the political will to move the process forward. That political will is nearly gone. Mr. Christopher's involvement is essential to get it back.

- Dallas Morning News.



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# Governments of the World, Help Workers Get Smart

WASHINGTON — Throughout the in-dustrialized world there seem to be too few good jobs to go around. The problem manifests itself differently in different countries, but the failure of any to ensure good jobs for many able and willing citizens raises a troubling question: Do advanced nations have to choose between good jobs and more jobs? In the last two decades Western Europe has had growth in wages but stagnation in employment. From 1975 to 1992 the real (inflationadjusted) average wages of manufacturing workers in France, Germany, Italy and Britain grew by 30 to 50 percent, but unemployment in European industrialized economies has risen

by close to a staggering 11 percent. How does the United States compare? On the narrow score of the number of jobs, we rank quite well. Since 1975 our economy has generated oearly 2 million new jobs per year. And although our current unemployment rate of 7 percent is disturbing, more than 800,000

New technologies will reduce demand for less-skilled workers even if borders are sealed.

iobs have been created since January, as economic growth has begun to stir.

Our bigger long-term problem is creating jobs that pay well. The average wages of America's production workers, adjusted for inflation, are the lowest they have been since 1967. Eighteen percent of full-time workers do not earn enough to keep a family of four out of poverty; this level is up from 12 percent in 1979. And more Americans who want full-

time jobs are working part-time instead. Wages and incomes in America have become more unequal since the early 1970s. They have risen for upper-income workers, remained stagnant for the middle class and

By Robert B. Reich The writer is U.S. secretary of labor.

fallen for those at the bottom. In no other advanced industrialized nation is the income gap so wide between the managers and proionals and the production workers.

Must we accept a diabolical trade-off between good jobs and more jobs as factories move to places around the world where labor costs less, and as smart machines take on more tasks at home? I believe that a trade-off is not inevitable if we draw the right conclusion from the underlying employment trends.

The pattern of wage inequality in the United States provides an important clue. From 1980 to 1991 the weekly real earnings of fulltime workers above the age of 25 who had graduated from college rose by 9 percent. That's not so bad. But the real weekly earnings of similar workers who had only com-pleted high school dropped by 7 percent. And similar workers without high school diplomas suffered a drop in earnings of 14 percent. Today the weekly earnings of American full-time workers above 25 who are college

earnings of otherwise similar workers who are simply high school graduates.

The pattern of unemployment provides a second clue. In Europe and the United States, the uneducated and unskilled have been hardest hit. While college graduates did not escape the prolonged recession in the United States,

graduates are more than 50 percent above the

only 3.2 percent were unemployed last year compared with 11.4 percent of those who dropped out of high school. The long-term crisis in advanced industrial nations reflects in part a shift in relative labor demand against less-educated workers and those doing routine tasks and toward workers with problem-solving skills.

So, how do we move a work force suited to one sort of economy quickly and smoothly into a world grown suddenly quite different? No country has yet found the formula. But different countries have illustrated different

ways to get it wrong.
The Cootinental European approach has been to have government intervene heavily in the wage-setting process and seek to preserve the existing pattern of employment. This has prevented the gap between high-wage and low-wage workers from widening much, but it has not directly addressed the profound changes in the demand for skills. Such policies have maintained wages and job security for the employed, but they have retarded the

creation of new jobs.
In the United States and Britain, employers have responded more directly to changes in labor force supply and demand. The result has been greater inequality in wages and working conditions. The apparent payoff from this Faustian bargain is a rate of U.S. job growth in the last two decades that has been the envy of Europe. Nevertheless, job growth in the United States and Britain has been punctuated by high unemployment in recessions and tarnished by worsening pro-blems of permanent loss of jobs. A third blind alley is protection from ex-

ports. No advanced nation is blameless. Yet escaping from global markets through protectionism is no solution. New technologies will reduce the demand for less-skilled workers even if borders are sealed. And many of the high-wage jobs of the future will be tied to exports and jobs that service the export industry. Protectionism cripples economic progress while failing to save jobs. Americans have traditionally cast their lot

with open trade, in recent years we have wavered. But in Tokyo, President Bill Clinton led the Group of Seven industrialized countries another major step down the path of openness. The trade agreement initialed there has sharply improved the odds for a new global accord. The president also established ground rules for measuring how far

Japan opens its market.
The odds of advanced nations adapting to a changing world are higher than they were before the summit meeting, holding hope for

America's own economic recovery. In addition, the president's proposed sharp reduction in the budget deficit will remove a significant source of reocertainty about the stability of the world economy and aid recovery. A strong commitment to fiscal expansion in Japan and monetary easing in Europe

could also help job growth in America. But domestic policies are also needed to deal with the mismatch between the skills Americans have and the skills the economy requires. Here are five: a good basic educa-tion for all children; affordable college; school-to-work apprenticeships for young people who do not go on to college; transition help to new jobs for displaced workers; life-time learning in the workplace. This list essentially describes the Clinton

agenda for the work force. Some parts of it are already embodied in legislative initiative; others are still taking shape. The imperative of investment in the work force is so compelling and the goal of building America's skill base so broadly chared that the debate remains remarkably

free of partisan wrangling.

The closing years of this century and the start of the next will be dominated by the advanced countries' efforts to adapt to the neweconomy. America enters this era with advantages. Our still enormous wealth gives us scope for experimentation and a margin for error.

Economic dynamism and openness to change are woven deep into our culture. Our greatest weakness has been the failure to invest adequately in our own learning. In the emerging global, high-tech economy, the development of our human resources will be the key means of creating wealth.

# **Expect China's Far-Flung Military to Remain Loyal to the Center**

By Ellis Joffe

been national unity.

Will younger commanders be mo-

tivated by the same nationalistic eth-

ic? Yes. There has been a genera-

tional change of Chinese elites, but

nationalism remains the core compo-nent of their ideology. The collapse of Communist dogma has only strength-

ened this component, by shifting the

emphasis entirely away from China's

global revolutionary mission to an ex-

clusive concern with the Chinese na-

This concern defines the main ex-

ternal aims of Chinese nationalism in

the 1990s: strategic defense and the

drive for great power status. Pursuit

of these aims requires a modern and

Here lies the basic rationale for Chi-

na's military modernization. And here

also lies the practical link between

nationalism and military support for

national unity. For military modern-ization can continue only under a

strong government capable, among

other tasks, of collecting revenues

from the provinces and allocating ap-

propriate funds to the armed forces.

The unifying power of nationalism

alism. Its basic values - discipline,

specialization, corporate separate-

ness and subordination to ultimate political control — constitute a cour-

tervailing force to centrifugal tenden-

cies. Development of professionalism

has been inseparable from the mod-

emization of the armed forces. No

slackening in its pace is evident as

China approaches the critical period

of political succession.

The Soviet threat has been elimi-

nated and the United States is reduc-

ing its forces, yet China will probably

erful military. It will do so to support

nationalistic foreign policy objectives

and to guard against U.S. dominance

as the sole superpower. China sus-

pects American designs and wants to be in a position to fill a power void in

ensify efforts to build a more pow-

formidable military establishment.

tion and its place in the world.

S HENZHEN, China — China's economic surge reflects considerable decentralization and regional disregard for central authority. How-ever, predictions of imminent fragmentation into regional economic satrapies are greatly exaggerated.

A key reason is that such a breakup, which would mean open and pro-longed defiance of Beijing by regional leaders on critical issnes, is inconceivable without the support of the army - and the army's record does not point to sympathy with separatist tendencies.

Twice since 1949, circumstances were conducive to regionalism under the aegis of the armed forces. Both times the military did not take advan-

tage of those circumstances. The first time was right after the establishment of the new regime, when Communist rule was decentralized and dominated by regional military commanders. But between 1952 and 1954, local military administrations were disbanded and power was cen-tralized by the government in Beijing. No attempt was made by the armed forces to protect their regional bases.

A much more serious threat arose during the Cultural Revolution in the 1960s, when the army was compelled to intervene m the violent political struggles and was catapulted to domination of localities. From there to regionalism the gulf was narrow, but the military as a group made oo at-tempt to cross it. Even at the height of China's worst crisis the center was able to hold because the military remained committed to its supremacy.

Military men everywhere are generally modvated by strong nadon tic feelings, which spring from pride and patriotism basic to their profession. But for Chinese officers of the revolutionary generation, nationalism carries a special significance.

It emerged in response to imperial aggression by foreign powers and na-donal humiliation. These gave rise to a determination, shared by all Chinese leaders, that China would not be weak and insulted again. The essendal condition for ensuring this has the Asia-Pacific region should eco-

nomic difficulties or other factors compel U.S. forces to leave it. As modernization progresses, mili-tary professionalism will be strength-. The stronger it becomes, the less likelihood of the army support-ing moves toward regionalism. The condition is that the army's extensive involvement in economic activities does not scriously crode its professional ethic. So far this does not seem to be the case, but the enthusiasm of the military for profit-making poses a

question mark for the future. The central authorites have ways to guard against regionalism in the military. The appointment of local

commanders is in the hands of leaders in Beijing. When installed, they are subject to aurveillance and political control. The center can also remove, reshuffle or replace commanders in the provinces if it discerns or anticipates suspicious behavior.
The latest and perhaps most

sweeping changes were carried out after the October 1992 party con-gress. The scope and speed of the changes has attested to the enduring power of the center over the regions If other measures fail, Beijing can always resort to force. Despite its weakness, that is what the center did in the most difficult phase of the Cultural Revolution. There is no reason to doubt that it would use force

belled. The prospect of such a crackdown is a strong deterrent. All these expectations rest on two interconnected assumptions - that the leaders in Beijing remain united and that their rule is viewed as legitimete by the military. In the unlikely

event that these assumptions col-

lapse, loss of central control over the

armed forces in the provinces could-

not be ruled out.

The writer, professor of Chinese studies at the Hebrew University of Jerusalem, is a longtime observer of the Chinese military and author of "The Chinese Army After Mao." He contributed this comment to the Inter-national Herold Tribune.

# Strain Ahead Between China and Japan

SINGAPORE — Although East.
Asia is in the midst of its longest period of peace since World War II. the region is scarred with fault lines that could easily fracture, upsetting the relative tranquillity. One such point of tension is competition beand economic leadership.

In the past, latent rivalry between the two regional giants was submerged by the superpowers' struggle for supremacy. But now, in the wake of the Soviet demise and a phased reduction in American forces in East Asia, growing signs of Chinese-Japa-nese competition are causing concern to foreign policymakers and defense

The rapid expansion of the Chinese economy has given Beijing a newfound sense of confidence and importance; meanwhile, Japan's industrial and financial strength is faltering. China threatens to usurp Japan's position

as the key engine generating growth for the Asia-Pacific region.

In the military sphere, there are indications that rivalry between Chi-

By Derek da Cunha

na and Japan has begun. From Tokyo's perspective, the recent purchase' by China of significant amounts of Russian weapons is disturbing, not least because it appears that such hardware has been acquired with Ja-

pan very much in mind.
The deployment of 26 Su-27 fighters at Anhui, near Shanghai, late in 1992 after they arrived from Russia seems to suggest this. China initially intended to base these advanced aircraft on Hainan Island for operations over the South China Sea. By choosing Anhui instead, the Chinese military can cover dual contingencies: Taiwan, which it regards as a rebelprovince, and Japanese military powr. More Su-27s will be delivered by

Far more commons for Japan is the likely procurement by the Chinese armed forces of the Russian AS-15 air-launched cruise missile, which has a range of 3,000 kilometers (1,850 miles) and is intended to ann Chinese B-6D bombers. Fear of such an extended strike capability by China, as well as alarm over North Korea's nuclear and ballistic missile programs, has prompted Japan to opt for U.S. airborne warning and control systems aircraft, although Tokyo will not publicly confirm its decision.

Japan also is worried about the steady modernization of the Chinese navy and the implications that flow from the publication by Beijing in February 1992 of a Territorial Waters Act. The annual defense white paper issued by the Japanese government notes that the act declares as part of Chinese territory the Senkaku Islands, which Tokyo insists are an

integral part of Japan."

If the Japanese are worried about Chinese naval intentions, similar sentiments are expressed in Beijing about Japanese maritime ambitions. China asserts that the Japanese navy is poised to engage in operations that extend beyond those related purely to territorial defense.

As evidence, the Chinese point to the continuence by Japan of its Kongo-class destroyer program. Conceived in the mid-1980s, the program was a direct response to the naval threat posed by the Soviet Union. It involves construction of equipped with sophisticated Aegis area defense systems supplied by the United States. In mid-1992 there were suggestions from Tokyo that with the disappearance of the Soviet threat, the destroyer program would be halted. But funding for the fourth vessel has been allocated.

vessel has been allocated.

All of this does not go down well in
Beijing. The Chinese media these days
are full of references to Japanese military developments, far more so than to
the armed forces of any other country.

Beijing's suspicions of the intentions belying area, Japanese military

tions behind such Japanese initiatives are fueled by Tokyo's increasingly activist role in regional security mat-ters. One school of thought in Beijing is that Western encouragement of Japanese military forces to assume wider peacekeeping roles is really an attempt to create a buffer against Chinese military power.

In an attempt to ease suspicions.

China and Japan amounced in May
that they would hold a series of bilateral security talks aimed at building greater confidence. While such discussions are welcome, it is far from clear whether they will be successful. Indeed, because both countries

have their own particular regional agenda that places each in a central role, it seems inevitable that China

The writer is a fellow of the Institute of Southeast Asian Studies in Singopore, and editor of Contemporary.
Southeast Asia: A Quartery Journal
of International and Strategic Affairs
He contributed this comment to the International Herald Tribune.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

## 1893: Friendly Words

LONDON — Presiding yesterday [July 20] over a banquet which for-lowed the laying of the foundation stone of the new deep harbor at Dover by the Prince of Wales, Lord Dufferin said: "The chief characteristic of the era of Queen Victoria has been the maintenance of unbroken peace between ourselves and France. am sure the action of the Prince of Wales in showing by his presence the deep interest he takes in our efforts to bring Calais and Dover in to what may be called speaking distance with one another, will be fully appreciated by the French people.

## 1918: German Retreat

PARIS — Yesterday July 201 was another glorious day for the Allies. For the Germans it was one of the most disastrons they have experi-enced. Under the series of formidable blows dealt-by General Foch during the last three days, Hindenburg's

troops retreated across the Mame and the French last night held the entire southern bank of the river. Thousands of Germans perished in the Crown Prince's attempt to throw his forces over the river between Chateau-Thierry and Dormans.

### 1943: Russian Offensive LONDON - From our New York

edition: A great Russian offensive began over a 450-mile front today [July 20], extending from the Orei sector, where that Axis-held "hinge city was threatened with encircle ment, to the Mins River, where Red Army troops breached German deienses in front of Taganrog it was announced in a special Soviet com-munique. The offensive about Ord-was continuing without let-up desuits spirited German resistance which was costing the enemy heavily. More than 4,700 of the enemy were killed in engagements about Orei and Beigo-rod, another 1,000 were wounded and 140 tanks were disabled or destroyed.

comment to The Washington Post.

By John R. Bolton

WASHINGTON — Beware of the concept of a "UN Le-gion," a small, volunteer army available to the Security Council to deploy early in crisis situations. There are several variations on this idea; the unit is sometimes styled a "rapid deployment force."
Stephen S. Rosenfeld, in an opinion column on this page (July 12),

has joined a growing number of analysts calling for the setting up of some kind of UN force. I disagree. The difficulty with international peacekeeping today is not that the United Nations lacks its own mili-

tary force. The difficulty is that there are too many problems - too many Bosnias - and not enough political will to dn anything about them.

To which trouble spot would the Security Council be prepared to send elements of its own force? How about the seemingly endless civil war in Sudan? Ditto Angola? Isn't it about time to get the Western Sahara referendum on track? Peace en-

forcers for Haiti? Simply mentioning

the territory of the former Soviet

Union calls a half-dozen possible turbulent places to mind. We have to face the hard reality that many world problems are really oot threats to "international peace and security." the phrase that describes the jurisdiction of the Security Council. They are horrible and tragic in the buman dimension and heartrending to any observer. Nonetheless, they simply do not appear to justify further loss of life for peace

very hard to get out.

Take former Yugoslavia, where butchery is now occurring in Europe almost half a century after the Holocaust. Have the Europeans found the political will to stop the appression and slaughter on their own con-tinent? No. If they will not take that responsibility there, where can they

enforcers who, once in, will find it

The World Doesn't Need a UN Legion

reasonably be expected to take it?
As for the United States, it is perfectly legitimate to ask before it steps forward what the nations in the region of an international crisis are prepared to do militarily. Because of the Cold War, until a few years ago the five permanent members of the Security Council only rarely committed troops to peacekeeping operations. This policy is in the process of changing but it is very important that the United States not be seen as almost the only member willing to use force. A UN imprimatur would not hide the fact - or the

accompanying resentment — that the United States would have become the world's policeman. The real problem with a UN rapid deployment force is that someone will rapidly deploy it. If deployed outside of a political framework that at the very least points in a settle-ment of the crisis, it will be very hard to "undeploy" it. Even when the parties to a dispute agree to a peace-keeping force, it is often difficult to bring their dispute to a resolution, as demonstrated by the UN force in

Cyprus, which has now been there for more than 28 years. Mr. Rosenfeld concedes that tough operational problems would exist, but he calls them "manageable." In fact, the command-andcontrol and logistical questions are far more complicated.

The UN Charter, in Chapter VII. set out an elaborate mechanism through which it was contemplated that the Security Council would deal with threats to "international peace and security." At the heart of this mechanism, from the combat per-spective, was the Military Staff Committee, composed of the chair-men of the joint chiefs of staff of the Security Council's five permanent members and others they might invite to join. Modeled after World War II's joint U.S.-British

staff, they were to be, in effect, Joint Chiefs of the World.

Because of the Cold War, the Military Staff Committee never functioned as envisaged. Nor does it seem likely to even today, or in the foreseeable future. Accordingly, the United Nations does not pos-sess the military capability to plan, manage or supply any extensive combat operations. The current clash between Italy and the United Nations in Somalia

is a perfect example of the problem. Trying to create such a capability afresh probably means opening up the charter to amendment. Since the entire charter would then be open to amendment, this prospect is close to nightmarish. This issue is, however, subject to some empirical testing. We should carefully watch events in Somalia

and the former Yngoslavia. It is possible that the United Nations will be able to stitch a civil society back together again in So-malia. It is possible that the Bosni-an Muslims will again live in a sta-ble country with their human rights protected, and not in a series of European Gaza Strips. It is possible that the Croats and the Serbs will not start killing one another over

their respective territories in Serbi-

an-inhabited Croatia. And it is pos-

sible that the United Nations will

be in whole or in part responsible for these achievements If so, there will be time enough then to discuss a UN Lexion.

The writer, a senior fellow of the Manhottan Institute, was an assistant secretary of state in the Bush administration. He contributed this

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and Japan are heading toward an intensifying strategic competition.
That cannot be good news for the rest
of the Asia-Pacific region. al to thele

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# Sending the Invaders Back Where They Came From

By A. M. Rosenthal

foreign guns that are so attractive to American collectors and street killers. not that And it is not the laundered money and shadow companies that allow foreign dictators to buy American technology and products that can be turned into weaponry.

But the Clinton administration has

### ON MY MIND

shown that it knows how to put together the power of the U.S. Navy, the Su-preme Court and the federal bureancra-

preme Court and the federal bureaucracy to stop this danger: the possibility that refugees from Communist China can get a decent hearing before they are shipped back in handcuffs.

For anybody who still cares about that old sentimental stuff about America being a home for those who flee desponsm, that is the meaning of the nasty episode of the three ships intercepted by the navy in international waters.

The Clinton administration has decided to get tough about immigration. No

The Clinton administration has decid-yed to get tough about immigration. No more mushy Reagan-Bush-era insistence on following regulations that gave undocumented immigrants landing in the Unit-ed States a full chance to prove they were refugees. Now it is stop them in the water and ship them back without hearings that

so when the ships were spotted, the U.S. Navy arrested them, along with the 658 Chinese aboard. The Supreme Court had recently said that the navy and the. coast guard could halt ships in interna-tional waters if the United States suspect-ed intent to violate American laws.

## Anti-Chinese Law

I T IS no exaggeration to say that U.S. immigration law was created for, and is still based upon, the exclusion of Chinese. Significant immigration from China-began in the California Gold Rush of 1848. During and after the Civil War. Chinese worked to build the transcontinental railroad. But the completion of the railroad in 1869, the consequent arrival of European immigrants in California, the end of the gold rush and the economic downturns and panies of the 1870s all contributed to an atmosphere of extreme. hostility to Chinese immigrants through-out the western United States. Discrimination and violence against Chinese, in-cluding lynchings and other murders, became common. And a popular demand arose for an end to Chinese immigration.

- Jan C. Ting a low professor at Temple University and former assistant commissioner of the U.S. Immigration and Naturalization Service, commenting in The Washington Post.

No, it is not drugs. And it is not the foreign guns that are so attractive to the structure of the structure

Then the United States twisted Mexico's arm; you could hear bones crack-ing from Baja California to Yucatan. So Mexico let the Chinese land long enough to shove them on planes, in handcuils and away from the press— back to China, and the attentions of the Communist police. How many of those were political refugees, not ordinary folk committing the deportable crime of crossing seas in search of bread? Probing here and there, you discover an umpleasant bureaucratic charade.

Translators were sent to the ships by the U.S. Immigration and Naturalization Service. They had been told to ask the Chinese to fill out a detailed questionnaire proving that they were politi-cal refugees in danger of their lives if sent back, not just fleeing China in search of work and liberty.

Only 184 took the chance that the questionnaire, which would be sent to Geneva to the United Nations refugee commissioner, would one day fall into Communist hands. Back came the evalnation — at least 58 made good cases.

That should have guaranteed them hearings. But the INS did a little winnowing out, reducing the list — to one.

And what about the 474 who refused

to fill out the questionnaire? That wor-ries Arthur Helton of the Lawyers Com-mittee for Human Rights. It should worry anybody who cares about refugees. Some of the most endangered believe that it is asking for the noose to fill in forms on political oppression if there is a strong possibility that they will be sent back. Were there 58 refugees? Four times

that many? Or just one "real" political refugee and 657 nervy dastards coming to America for work and a taste of liberty? These people are not officially considered deserving of America's compassion. By blocking hearings, America made sure that the world could never know.

Americans seem to be in an anti-immigration mood. What, you want a billion Chinese over here and all those, you know, Haitians?" Let'a cut through - the obsessive emphasis on Chinese and Hartians is racism.

is rushing legislation that could reduce

liberals and conservatives who have tional community, reflects realistically forgotten both American principles and the present degree of commitment by ar own origins, anti-alien nuts whose ngliness you can smell through the enve-



### LETTERS TO THE EDITOR

### Toward an International Criminal Court

I wish to refer to the editorial in your July 7 issue entitled "A Court for World Outlaws." It was not the United Nations Security Council but the Gencral Assembly which at its last session requested that the International Law Commission undertake the elaboration of a draft statute for an international criminal court as a matter of priority

and submit a progress report to the General Assembly this year. Unlike the Ad Hoc International Criminal Tribunal for crimes committed in the former Yugoslavia, created by a Security Council resolution, the international criminal court being considered by the International Law Commission is, according to guidelines es-tablished by the General Assembly, to be established by a multilateral con-vention, and its jurisdiction will be broad enough to cover all crimes under international law as well as some other crimes (such as serious drug-traffick-ing) which states have already piedged treaty to consider as punishable aduct under their national laws.

It is, inter alia, this consensual and broader basis of the proposed court's jurisdiction that makes the process of drafting the statute of such a court a particularly time-consuming and delicate one. The commission's goal is not to Bill Clinton owes the country a careful add one more instrument to the already report on immigration — advantages as long list of draft statutes for an interwell as costs. Instead the administration national criminal court that have been drawn up in the past by public or private

degree of our success, the goal was to produce an instrument along the lines called for in the editorial, and one which resolves the problems identified therein. JULIO BARBOZA,

International Law Commission.

## Opening Up Japan

Regarding "The Cartels of the Mind" (Opinion, June 16):

Chalmers Johnson asserts that Japaoese universities are closed to foreign scholars, the Japanese legal system is closed to foreign firms, and Japanese news gathering associations are closed

to foreign correspondents.
He further contends that these "cartels of the mind," which, in his view, are far more important than Japan's "production cartels," are the results of re-strictive rules that could be changed overnight by the government. His judg-ment is misguided.

Admittedly, there still remain some elements which cause outsiders to con-sider Japan "closed." But more and more Japanese are convinced that what is imperative is for educators, lawyers and journalists to work of their own volition to effect change.

Greater access to press conferences and briefings has been provided to forcign journalists by a number of government ministries, the Bank of Japan, the business lobbying group Keidanren and other organizations.

The question of foreign lawyers is one of the important tasks to be tackled in Japan's efforts for administrative reform. The Study Commission on For-eign Lawyers, a formal study group jointly set up by the Ministry of Justice and Nichibenren (the Japanese bar as-

sociation) is now conducting a review.

Foreign firms can obtain legal services through Japanese lawvers, even though they are not allowed to have them on the payroll. The present arrangement could and should be improved, and I understand that efforts in

this direction are being made. As to the academic world, in Japan, when foreign nationals are appointed professors, they have the right and the freedom to take part in the decisionmaking processes. The question of ten-ure and fixed term contracts is also being actively considered.

In the concluding paragraph of her chronicle of American popular feelings toward Japan ("American Attitudes To-ward Japan, 1941-1975"), the cultural anthropologist Sheils Johnson admonishes against the danger of a spiral of ill will based on a particular stereo type and suggests that Americans would do well to cultivate a permanent suspicion of any sentence that begins "The Japanese are ... with the possible excep-tion of the following: The Japanese are an interesting and talented people, fully as diverse and capable of change as we credit ourselves with being."

How apt this sounds today. NAGAYO HOMMA.

## He Should Have Said 'No'

Regarding "Nominees Unite! Tell the President 'No' " (Opinion, June 6): If only Senator John Danforth had given his own advice to his protege, Judge Clarence Thomas. Instead he promoted a poorly qualified candidate for a powerful position with relentless zeal. If only Judge Thomas had "just said 'no." as Mr. Danforth suggests today, many people — including the nominee — would have been spared unnecessary pain.

MARION HUNT.

# It's a Scandal: The River Doesn't Do as It's Told

By George F. Will

WASHINGTON — One hundred W and thirty Julys ago the president, referring to the Mississippi, said, "The father of waters again goes un-vexed to the sea." Abraham Lincoln was pleased, the occasion being the triumph of the siege of Vicksburg by a general from the Mississippi River town of Galena, Illinois — U. S. Grant.

It would be nice if that willful river - today 16 miles (26 kilometers) wide on some Illinois and Missouri plains would be more vexed by human inge-

### MEANWHILE

nuity. But the big river, hy riveting attention on the unpredictable and uncontrollable sphere of life (which is almost all of life), has some lessons for the river town in which the oational government sits.

Mother Nature along the Mississippi

and human nature along the Potomac are both misbehaviog.

The Mississippi runs through Ameri-ca's imagination. On it Huck Finn found freedom by floating away from chafing facets of civilization. And in 1901, in a house on a Mississippi River bluff near Little Falls, Minnesota, a boy was born whose early impulses for solitary adventuring were indulged on the great river - young Charles Lindbergh in his canoe.

For a long time now people have been trying to tame the river. Today, while deeply regretting the material damage and mourning the burnan tragedies that the river is causing, it is difficult to suppress a secret exhilara-tion about the way the river casually shrugs off the restraining hand of man.

We need recurring reminders of bow little mastery our species has - of itself, of events, of nature, of the present or the future. Regarding nature, at least, we have

come some way toward caution about what we can know and do. Not long ago serious people felt that manipulating nature was a practical possibility. For example, in his "Eisenhower: The President," Stephen Ambrose re-

counts a June 1957 meeting that President Dwight Eisenhower beld with three scientists concerning peaceful uses of atomic energy. Physicist Edward Teller, perhaps hoping that the president's interest in such uses might make him support additional atomic detonations for test purposes, suggested the possible use of atomic devices for altering the flow of rivers and even to modify the weather by changing the

dust content of the air.
Such technological bubris has a jarring, even childlike, ring today. Who nowadays would try to interest a president in attempting to control the cli-mate? Well, come to think about it, the vice president might. By some strange law of the physics of

intellectual life, an intellectual excess in one direction is apt to produce a comparable and opposite excess. So today we hear much from people (today's American vice president, for example) who believe that climate, and much of the rest of the natural world, is highly

changeable, even fragile. Such people believe that human behavior, unless controlled by wise government, will have large and lasting and deleterious consequences—global warming, or cooling, or whatever. And they believe that well-regulated societies can regulate the planet's thermostat,

The technological bravado of the 1950s and the apocalyptic environmentalism of the 1990s are cousins. It is difficult to decide which is potentially more harmful, and it is wrong to say that they are really very different. Both assume that it is easy to discombobulate, either consciously or carelessly.

the planet's fundamental processes.

However, the greening of the blasted slopes of Mount St. Helens testifies to the planet's often underestimated resiliency. lo contrast, we Americans consistently overestimate the ability of our governance to subdue social events, which always are at flood tide.

Consider two current matters, one abroad, one domestic.

U.S. forces went to Somalia eight months ago for a few weeks - a few months, at most — to facilitate food distribution. Now U.S. gunships have used missiles and cannon to blast something called "the command center" of someone identified as a "fugitive Somali warlord." A number of So-mali civilians were killed and wounded, and an enraged Somali mob killed four journalists who came to the scene to assess the damage. As "nation building" progresses, political levees pre-sumably will be built to control the flow of such passions.

Meanwhile, back along the Potomac, some members of the gargantuan House-Senate conference on the \$500 billioo five-year "deficit reduction" package say the final package may actually have \$20 billion less in deficit reductions. Oh.

Still, it is awesome that these people have such mastery of economic projections and manipulations. They can, they say, anticipate the consequences of their legislative decisions on hun-dreds of millions of people making tril-lions of economic decisions over five years, Hence, they know precisely how much deficit reduction they are enacting, down to the last \$20 billion over five years or \$4 billion per year, which is one-quarter of 1 percent of annual gross domestic product.

With such fine-tuning, they must have that Mississippi of red ink tamed. Like the river.

Washington Post Writers Group.

## **GENERAL NEWS**

# Major Faces a Tight Vote on Maastricht

LONDON — The British gov-ernment started 48 hours of bargaining and arm-twisting Toesday in an attempt to prevent defeat in a vote on the Maastricht treaty.

Neither Prime Minister John Major nor the opposition is confident of victory in the climax Thursday to a year of guerrilla warfare in Parliament over closer ties with Europe. One or two votes could be decisive, parliamentarians said. Conservatives are working hard

to convince potential rebels to toe the party line, and discussing possible deals to attract the support of minority parties in the 651-seat House of Commons.

source close to the rebels.

Ratifying the treaty became further complicated Monday when a from the treaty's social chapter, is not known how many will vote British court agreed to review a which sets a framework for labor against Mr. Major on Thursday. legal challenge to the government's

ratification campaign.

Mr. Major has said he would not ratify the treaty until the court makes its decision on whether the process was flawed. This stance appears to take some of the heat out

. "It may be said the court case reduces the seriousness of the vote but I think that's just a line the government is trying to spin to get it out of the mess they are in," said the source. Attention is focused on nine Northern Ireland members of Parliament who could overturn Mr. "It's going to be a close—it's too Major's 18-seat majority by voting close to call at the moment," said a with Labor, the Liberal Democrats

SLOVAKIA

and Conservative rebels.

and welfare rights in the European Community. He was forced to France Sets Conditions stage this separate debate on the chapter as a ploy to avoid defeat in an earlier vote on the treaty.

Britain is the last EC country to complete the ratification process for the treaty. Conservative rebels. ideologically opposed to the social chapter, may vote with the opposi-tion if it believes this will bury the

whole treaty.

Mr. Major is trying to convey an saying he is sure the government will win.

There are around 20 hard-core July 30.

ple, a French government source said on Tuesday, Reuters reported.

would formally hand over papers required ahead of ratification on

# VEWFORMT

The Commerzbank report on German business and finance

# How important are administered prices for Germany's inflation?

In mid-1991, higher excise duties caused western Germany's consumer prices to go up by more than 4% for the first time since 1983. Last year, inflation averaged 4% and a similar rate is expected for 1993. Stubborn rises in consumer prices are making the Bundesbank hesitant to lower its key lending rates more boldly to pull Germany's economy out of recession. Occasionally, it is argued that the distorting effects of administered prices are partially responsible for the present high rate of inflation.

Administered prices fall into four broad categories (see box). Taken together, the four groups account for oo less than 40% of the goods in the consumer price index.

Since the basket of goods and services currently used to compute the index was established in 1985, administered prices have risen by a total of 16%, or 1.9% per annum, compared with an overall increase of 19%, or 2.2% p. a. The two groups of items subject to direct state influence (1 & 2) registered an increase of about 25%, compared with a rise of 6% in the other two categories (3 & 4).

## Unification reverses trend

Between mid-1990 - when monetary union of the two German states was effected - and March 1993, administered prices rose by around 12.5%, compared with a general increase of 11.4%. The latter figure was also influenced by the raising at the start of 1993 of value-added tax, which is not included among administered prices. At 12.7%, the advance in those prices that are set entirely by the government (1) was only marginally

"Only certain items have revealed disproportionately large price increases."

higher than that of consumer prices in

These rough calculations in themselves are sufficient evidence that claims concerning the state's impact on consumer prices are generally rather exaggerated. However, the prices of nine of the ten goods and services which have shown the sharpest increase since 1985 are set to one degree or another by the

huge financial burden of German unification more manageable, the government has raised excise duties several times over the past two years and the charges for municipal services have also gone up - dramatically in the case of water and refuse disposal. Consumers have

been hit hard by these

increases. For one thing,

expenses of this type now claim a much greater share of incomes. For another, consumers are largely dependent

on public-sector institutions for these goods and aervices. As most households are unable to find substitutes, they can reduce their outlays only by curbing consumptioo.

Given the current state of the public finances, the outlook as regards administered prices is oot good. While an economic recovery will generate higher tax revenues, the growing insportance attached to environmental protection will in itself make many of the relevant services more expensive. Administered prices provide the state

with a powerful tool for influencing demand and output, either by subsidizing goods or by imposing a tax on them. This instrument needs to be used responsibly. though, in line with general policy goals e.g. to encourage environmental protection, energy conservation and higher standards of health. It should not become a revenue raiser for fiscal purposes, as the

## In order to make the Types of administered prices\*

1. Directly administered	2. Partially administered			
e.g. TV/radio licence fees, motor vehicle tax (5%)	(price pertially set by state) e.g. rents in sub- sidized housing, health- service charges (16%)			
3. Quasi-administered	4. Indirectly administered			
(goods subject to excise duties) e.g. sicohol/spir- its, tobacco and pet-	e.g. food prices influ- enced by EC's Commor Agricultural Policy			
releum products (9%)	(10%)			

\* Percentage shares of CPI basker

negative repercussions on growth of a massive increase in the tax burden would undermine the consolidation strategy. Similarly, the government's attempt to boost its revenues by means of higher administered prices would prompt the Bundesbank to pursue a more cautious

## COMMERZBANK German know-how in global finance

VIEW POINT is presented as a service to the international business and financial community by Commerciant Scounnic Research Department. P. O. Box 1005 05, D-60005 Frankfurt am Main L. Germant. VIEW POLICE AND PROPERTY OF THE PROPERTY OF TH Rio de Janeiro. Sin Paulo, Sepul, Singapore, Sydney, Tehran, Tokyo, Toronto, Warsse, Zurich.

### The setting for an ethnic accord providing practical improvements for the Hungarian minority in Romania was bizarre—the Black Sea villa of the late Nicolae Ceausescu, the Communist dictator despised by the Hungarian minority in Romania. Hungary and Romania have been enemies BULGARIA in war and each has committed atrocrites and seized territory. The legacy of mistrust and fear was still evident at the opening of the talks here on the status of the Hungarian minority — 1.6 million people in a popula-tion of 23 million — most of them hving in

The timing of the accord was also extraordinary. To the west, ethnic war is raging in

chod Na Korze" or A Shop on Main invasion of Czechoslovakia in

Mr. Klos shared the best-for- for a construction firm.

By David Binder

New York Times Service
NEPTUN, Romania — In the end, they
were so surprised by the agreement they had
reached that they applauded and congratulated each other — Romanians and Hungar-

ians representing two traditionally hostile



Romania Widens Hungarian Minority Rights

Bosnia-Herzegovina. To the east, ethnic wars have broken out in three republics of the former Soviet Union.

Elmar Klos, Oscar-Winning Czech Director, Dies

through mediation.

United States.

Cardinal Gordon Gray, 82, the first resident cardinal in Scotland

PRAGUE — Elmar Klos, 83, a Mr. Klos from the film industry in here in the 1970s when he headed defunct Washington Star oewspa-

Szymon Goldberg, 84, a Polish violinist and conductor, died of Toyama, northwestern Japan, offi pan Philharmonic Orchestra said

65 years, Mr. Klos was a pioneer in the pre-war golden age of Czech film, then became an outcast under

eign-film Oscar with his Slovak co-

The cause of death was not an-

director, Jan Kadar.

In a film career spanning some Eschel Rhoodie, 60, Dies, Tied to Apartheid Scandal JOHANNESBURG (AP) - Es-

writing essays on film.

Czech film director who won an 1972, during the purge of creative South Africa's Information Department, died of a heart attack Saturday while playing tennis in Street, died here Monday, the 1968 Between 1972 and the revolu- Atlanta, where he had run a busi-Czech news agency CTK said Tues- non that overthrew the Communist ness in recent years, his brother regime in 1989, Mr. Klos worked said here.

When the scandal broke, it con-After 1989, he returned to lectur- tributed to the downfall of Prime ing at the Prague film academy and Minister John Vorster's government in 1979. The affair concerned the secret spending of millions of dollars in an effort to improve South Africa's media image during the apartheid era. Projects included secret funding of The Citizen news- since the Reformation, died in Edchel Rhoodie, 60, who was at the paper in South Africa and an un- inburgh on Monday.

heart failure Monday at a hotel in cials of his Tokyo-based New Ja-He had conducted in Tokyo since 1990 and also was a professor at the Curtis Institute of Music in the

hearings to kingaroo courts presided entities, but rather to come up with a over by immigration agents, not judges.

But it should make some tolks happy ing to the present needs of the internastates to the very idea of such an institu tion, thus paving the way for a process of

logics, and assorted dictators who love ratification or accession to the court's their people too much to let them go.

The New York Times.

ratification or accession to the court's statute, which may lead, in time, to a truly universal criminal jurisdiction.

Mr. Major negotiated an opt-out Conservative "Euroskeptics" but it

France will agree to lift in ternal border controls only if three conditions are met by eight other EC countries seeking to reach an accord on the free circulation of peo-

The source, close to the office of Prime Minister Edouard Balladur, said France had decided, however, atmosphere of calm confidence. He to move a step closer to ratification brushes away questions about his of the so-called Schengen accord future in the event of defeat by between nine EC countries. It

The agreement, after three days of talks,

the training of 300 more Hungarian teachers

at the Babes-Bolyai University in Cluj, more elementary school classes in history and ge-

ography taught in minority languages and multilingual street signs in areas where a minority represents 30 percent or more of the

All these improvements had been demand-ed by the Hungarians.

Taking part in the Neptun accord were four senior government officials, three repre-sentatives of the Hungarian minority and one

from the remainder of the once sizable Ger-

The meeting was arranged under the aus-pices of the two-year-old Project on Ethnic

The Project on Ethnic Relations is based in

Princeton, New Jersey, and supported mainly, by the Carnegie Foundation.

it seeks to bring about such accords

# 'Marvin's Room' Makes Dying A Way of Life McPherson Play Mixes **Tenderness and Farce**

By Sheridan Morley

ONDON — "Marvin's Room," which comes to premiere after a long life off-Broadway, is a poignant comedy about dying as a way of life. The playwright himself lost a long bat-tle with AIDS last winter, but this is oot in any conventional sense an AIDS play, indeed that particular killer never even gets a mention.

Instead, Scott McPherson's people are dying of almost everything else imagioable: the central figure (Alison Steadman) has leukemia, her aunt (Carmel McSharry) is crippled, the nephew is a psychotic who has set fire in his home and those of several neighbors, and her father, the Marvin of the title, is a one-eyed, one-kidney stroke victim

### LONDON THEATER

with diahetes who utters only grunts from behind a screen.

These may oot sound the most cheerful of people to spend an evening with, and it is therefore hugely in McPherson's credit that from their distress he has carved a genuinely heartwarming comedy about survival against the odds. These are people who live with death, and for whom dying has become a professional occupation: when they start to do things that ordinary non-dying people do, like organizing a macahre trip to Disneyland, "Mar-vin's Room" becomes a black comedy worthy of Joe Orton. And yet at other moments it has a tender lyricism, and at still others it becomes a ghoulish medical farce ('There will oow be a crunching noise as I remove your bone mar-

McPhersoo obviously bad a highly original and quirky comic talent, but in this weird and wondrous account of a family that is as dysfunctional medically as it is emotionally, he managed a superlative study of relative values in freefall and family values rediscovered

Back in the 1960s, and coming usually out of the Mermaid Theatre uoder Bernard Miles or Joan Littlewood's Stratford East, there was a thriving tradition of Restora-tion comedy musicals. Shows like "Lock Up Your Daughters" and "Virtue in Danger" regularly ran a couple of years with scores by the likes of Lionel Bart, and managed oo wooden stages with small budgets to bring Congreve and Van-brugh and Wycherley safely into the orchestra pit.

Since then the tradition has almost died, so it would be good to

"Lust" to the Theatre Royal, Haymarket. Adapted from Wycherley's "The Country Wife," it has a poprock score and a performance of tremeodous central eoergy and charm from Deois Lawson as Hampstead for its British Horner, the likely lad who feigns castration in order to allay the suspicions of all the husbands he is intent on cuckolding.

> But there the good news ends. Bob Carlton's production never quite manages to bridge the gap between a plot of 1661 and a score of 1993, and the Haymarket is oot the best of homes for a makeshift musical that belongs in much more rough-and-ready surroundings. This is a small-scale treat, a rare mix of bedroom farce and Mermaid sing-along, and it only really works when Lawson, a comic ge-nins in the best Broadway tradition of the late Roy Bolger, is steering an already manic plot into over-

> surviving in a summer of hig old 1960s blockbusters, but it would have had a better chance at a less plush address. All four Heather brothers and their director Bob Carlton have scored considerable hits with shows like "Slice of Saturday Night" and "Return in the Forbidden Planet," hut Restoratioo comedy is ootoriously treacherous territory and the feeling at the last preview was that they hadn't fully taken cote of its com-

HIRTY years ago, "Pick-wick" was a ramshackle Dickensian musical cob-Bricusse, Cyril Ornadel and Wolf Mankowitz to echo the success of "Oliver!" All it really ever had was one good number ("If I Ruled the World") and a performance of tremendous chubby charm from Harry Secombe in the title role.

Three decades later, Sir Harry has wisely lost a great deal of weight, but with that also some of his stage presence for so gargan-tuan a role, and it is debatable whether Patrick Garland at Chichester has done us or him any real service by bringing the show back from deserved oblivion. What is certain is that West Sassex audiences enjoy it hugely, and that critics should probably go elsewhere in search of pleasure. That will also

Best news of the theatrical week is the restoration and reopening of the Savoy Theatre. Three years after a mysterious fire gutted the into rior, it had been meticulously put back to its Art Deco 1920s original form at a cost of £12 million (\$18 million), most of which seems to have gone into silver-paneled walls welcome the Heather Brothers' and a truly stunning foyer.



Julian Curry and Sophie Aldred in a scene from Heather Brothers' "Lust."

# Spoleto, a Hardy Survivor Stravinsky Tops Billing at Italian Festival

By Harvey Sachs -

POLETO, Italy - Thanks to Italy's latest political and economic woes, the survival of Italian performing arts organizations is even more precarious than usual.

Yet the town of Spoleto's three-week Festival of Two Worlds, which ended Sunday, presented a re-markable array of musical and theatrical events to the many thousands who attended it, just as it has every summer since 1958, when it was founded by the composer Gian Carlo Menotti.

The organizers may have faced difficulties in putting the program together, but visitors had only two problems: finding tickets, and not overdosing on op-eras, ballets, concerts, plays, manionette shows, films

The event that received the greatest amount of press attention was a new production of Stravinsky's opera The Rake's Progress," and the elements of the show that aroused the most curiosity were the sets and costumes designed by David Hughes, a well-known British cartoonist. The fad for designer-dictated opera productions ought to be stremously opposed, but in this case Hughes and Roman Terleckyj, the stage director, functioned well as a team.

Two rotating walls, which alternately carried painted scenes and constructed sets, were the main scene-graphic feature on the minuscule stage of the 400-seat Teatro Caio Melisso. Between them, a painted back-drop that scrolled upward provided an abstract, stream-of-consciousness commentary on the proceedings. Exaggerated costumes turned the characters into caricatures, but in this respect Hughes must have taken his one from the caricatural aspect of the Hogarth engravings that prompted Stravinsky in write

"The Rake's Progress" appears to be an 18th-century morality play with a single message: hard work and domestic tranquility are the natural aims of human existence, whereas easy money and pleasure lead to ruin and debauchery. But W. H. Auden and Chester Kallman's witty libretto and Stravinsky's rich and

subtle score are steeped in irony and emotion; if these qualities are overlooked, the opera falls flat.

in this production, Hughes and Terleckyj looked after the irony and the singers and orchestra provided the emotion. The Caio Melisso's pit is so small that only 30 members of the Spoleto Festival Orchestra could be used, but the players were all young and energetic, and so was the conductor, Arthur Fagen, who prepared the orchestra competently and put the de together skillfully.

The most interesting singers were the strong and communicative baritone Richard Cowan (Nick Shad-ow) and the well-trained, musical mezzo-soprano Reow) and the well-trained, musical mezzo-soprano Re-becca Russell (Baba the Turk). Tenor Michael Recs Davis (Tom Rakewell) sounded strained and occa-sionally off pitch when I heard him during the festi-val's event-packed final weekend, but I understand that he was much better at earlier performances. Soprano Ann Christine Larsson (Anna Tralove) has a pleasant but small unless deasant but small voice.

The whole cast, as well as the 16-member chorus, selected from the Westminster Choir and directed by Donald Nally, sang with commitment and clarity -obvious virtues, but rarely achieved ones.

ESIDES "The Rake's Progress," I managed to take in an authentic, 19th-century manionette show, an entertaining although politically incorrect version of Christopher Columbus's story by the Carlo Colle & Sons Company of Milan, accompanied by a live instrumental ensemble; and two outstanding concerts, organized by violist Scott Nickrenz, with the participation of finits Pania Robison, harpsichordist John Gibbons, the Borromeo Quartet and others in works by Telemann, Hindenith, Stravinsky, Chopin, Chaminade and Tchalkovsky.

For the final, open-air concert in the great Cathedral Square, there was a performance of Berlioz's Requiem Mass by more than 300 intrumentalists and choristers under the direction of Steven Mercurio. The massive applause at the end, in the deepening Umbrian twilight, was not only for the fine performance but also for the 82-year-old Menotti and his entire festival.

Harvey Sachs is a writer based in Italy.

# For Ungaro, Luxury Is Simplicity

By Suzy Menkes

ARIS - Emanuel Ungaro caught the change of fashion on a butterfly wing. He sent out an exceptional collection that not only introduced a fluttering lightness of fabric and spirit, but also a simpler way of showing haute countre. Chanel was the usual razzmatazz: Richard Gere blowing kisses to his model wife Cindy Crawford and Prince Albert of Monaco chewing gum and failing to look at his so-called fiance Claudia Schiffer. Lagerfeld came up with a familiar formula that's due

PARIS FASHION

for a change: one gimmick (micro mini-

skirts); both eyes fixated on the photographers and 30 great-looking jackets.

The skirts grazing the derriere were just what every couture customer occis: a bringback-the-80s look that made even the thighs of supermodel Christic Turlington seem chubby. The alternative was a weird asym metrically draped skirt or weirder-still soft

pants with plenty of room for dispers. Behind all the increasingly desperate gim micks (Turlington held up her hands in hide nipples covered in flesh chiffon meanly sprinkled with standust embroidery) there were, of course, lovely clothes and divine workmanship. Lean jackets were shaped with technical brilliance by undulating seams or a knitted panel was inserted like a curvy corset. The in quilted leather as a witty take on the Chanel purse. Gilt was dulled in a modern

spirit to old gold. A fine passage of lingerie-inspired evening dresses (even if we have seen them before) brought layers as light as panty hose. But the rest of the evening clothes? Anything you ever needed if you were invited to the boudoir of Ludwig of Bavaria (tweed bra and knitted long skirt) or hefty old-gold embroideties on velvet that looked like operetta in a provincial

Haute conture as bread and circuses can go oo further. The clients will pick the plums. In publicity terms it will be the usual smash.

Ungaro decided to bring couture down to carth, by dispensing with the runway and by showing in a former convent in the oldtown Marais district. Against a background of trees stenciled on a white ground, he set up a café table and chairs and a bunch of models acted silly in sporty knits and printed skirts from the designer's March ready-to-wear.

Perhaps Uogaro was trying to tell us that all fashion is the same, since the couture but with the patterns intricately embroidered. and the skirts in liquid velvet. What he actu-ally proved in just 39 outlits, was countre's unique power and refinement. And for the first time since conture left the saloo for the circus presentation, we could see the exquisize detail: two shades of chiffon overlaid like watercolors, or jet embroidery tracing arabesques of pattern on nocturnal velver. By the time the shin wedding dress came out with

fringed embroidery quivering at the hem Ungaro received a well-deserved ovation. The silhouette was long, lean, sinnous, but never sloppy. It was based on overlapping layers of soft, liquid or floaty fabrics — wood and chemille for day, chiffon and slithering velvet at night. A skinny calf-length coat, a hip-line tunic or a cardigan would drape over long light skirts or floaty pants. Occasionally the workmanship was a trifle fancy; mostly it was of a rare delicacy and included velvets ent out in super-fine embrossing. Arabian night headdresses (a mistake) and the subtle

oriental colors, from old gold and saffrom through eggplant, suggested Paul Poiret's ori-entalist robes from the Ballet Russe period, brought up-to-date with a light touch. "No, it was just a story that I wanted to tell," said Ungaro as he received hugs from models backstage.

He told it beautifully. Between the craftsman and the showman Hubert de Givenchy is the former, rarer kind. His show Tuesday, if a bit dull for day with its tailored suits and day dresses, was pretty at bias like bath oil running down the body and cuts in a masterly way the jumpsuits and pants that replaced skirts for the cocktail

Necklines were the focus. On lean dresses. a cowi neck licked the collarbones in licorice black satin; and full-blown roses (each is individually made) caressed the bosoms as rambling roses are trained round a cottage door. A bouquet to Givenchy.



Ungaro's layered look with floating chiffon pants.

# Louis Féraud



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## **BOOKS**

AFGHAN TALES: Stories From Russia's Vietnam

By Oleg Yermakov. Translated from the Russian by Marc Romano. 205 pages. \$20. William

Reviewed by Richard Lourie

LASNOST gave Russians G freedom of speech but had a deleterious effect on literature. Poets and novelists were at their wits' end trying to keep up - reading seven oewspapers a day left them exhausted and unable to write a line of their own.

And Russian literature had other enemies. The language had been debased by the Communists. The Russian birthrate was falling, and the former republics were emphasizing their own languages. Television, after decades of Bulgarian folk dances, harvest reports and state funerals, was suddenly fascinating. There was good reason to assume that the line that led from Pushkio to Solzbenitsyn was dying out. Enter Oleg Yermakov, now 33. and heir to the best traditions of

The 10 stories that make up this fined to combat or what occurs in 1981 when Yermakov was 22 and ries are strong, and at least one is a masterpiece. Yermakov writes quite well of comhat - fear, boredom, comradery, the exact sensations that constitute a moment, the hitter disillusionment that came to the young Russians who believed

All wars are the same and all wars are different. Yermakov depicts both aspects, the twists of fate that occur when men are intent on killing each other and the particulars of the last Soviet incursion the barren beauty of Afghanistan both alien and alluring, and the dread, strictly enforced system of seniority that allowed older recruits to exploit and humiliate the new men. Sooner or later they can all what the narrator of one story, "The Belles," says: "We learned to smoke hash, in look doomed pris-ouers calmly in the eye, to oot think of the future, to write dispassionate

Afghanistan was a second Spanish

Civil War.

But "Alghan Tales" is oot con-

book (deftly translated by Marc the interludes. Yermakov has con-Romano) began to circulate in structed this book so that the stories form a multifaceted, almost had just completed two years' ser-vice in Afghanistan. All of the sto- of young men spending their last precious days of freedom before induction and the exuberance of

men just discharged quickly going flat as it encounters Soviet reality. The former tales are somewhat weaker, marred by Yermakov's excessively lush and lyrical descrip-

The two best stories, "The Snow-Covered House" and "The Yellow Mountain," have nothing directly to do with the fighting. In "The Snow-Covered House," a miraculously rendered story, a woman awaits the return of her husband, fearing that he might have been killed in the last few days of his tour of duty. She is a schoolteacher

grant me my wish I promise never soon, again to tell the schoolchildren you

don't exist." faults, but its strengths outweigh them. It's the story of an Afghan veteran, crippled in more ways than one. The hero, now a disgrumtled back on a Soviet newspaper,

and while instructing the children, writing short stories that tell the in atheism prays that God send her truth about the war, but is conman back home safe. "God! If you stantly told that it's premature, too Part Car Conditions

Yermakov's stories are hardly emature. They are young and "The Yellow Mountain" has its fresh and mark a new beginning.

Richard Lourie, the author of a recently published true account of a Russian serial killer, "Hunting the Devil," wrote this for The Washingtries to keep his own spirit alive by ton Past.

## **BEST SELLERS**

The New York Times
This list is based on reports from a
2,000 beokstones throughout the Units
Weeks on list are not necessarily cons TICTION

THE BRIDGES OF MADI-SON COUNTY, by Robert James Waller 2 THE CLIENT, by John Gris-3 THE NIGHT MANAGER, by John Le Carre 4 PLEADING GUILTY, by SCOUL & UNUSUAL by Patricia D. Coruwell 6 4
6 LIKE WATER FOR CHOCOLATE by Laura Esquivel 5 14
7 THE SCORPIO ILLUSION,

by Robert Ludlom .

8 FIGS IN HEAVEN, by Barbara Kingsolver
9 I'LL RE SEEING YOU, by
Mary Higgina Clark
10 HONOR AMONG
TELEVES, by Jeffrey Archer
11 GALJIN, by James Clavell
12 AFTER ALL THESE
YEARS, by Sman Leace
13 HILLTOWNS, by Anne Rivers Stddoos

es Siddots 12 2

15 HOMELAND, by John Jakes NONFICTION

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13 LISTENING TO PROZAC, by Peter D. Kramer 14 THINKING OUT LOUD, by Anna Quinden 15 BANKRUPTCY 1995, by Harry E. Figgie Jr. with Ger-ald J. Swangon

1 EAT MORE, WEIGH LESS, by Dean Omish 2 A WOMAN'S WORTH, by Mariagne Williamson

3 HARVEY PENICK'S LITTILE RED BOOK by Harvey
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4 MEN ARE FROM MARS,
WOMEN ARE FROM VENUS, by John Gray

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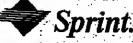
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A O Paraguan

# BUSINE International Herald Tribune, Wednesday, July 21, 1993

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## THE TRIB INDEX: 102.87

International Herald Tribune World Stock Index 6, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining

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## MEDIA MARKETS

## **Author Finds '80s Culprits** At The Wall Street Journal

By Hongard Karriz Westington Post Service

ASHINGTON — It doesn't take long to figure out who the villains are in Francis K. Dealy Jr.'s book on The Wall Street Journal. Norman Pearlstine, the former executive editor, is portrayed as a social-climbing dealmaker so tight with Wall Street's power brokers that he watered down the paper's coverage of the financial scandals of the 80s. Karen Elliott House, a Journal vice president, is depicted as a numbers drawer leady. She is married to the paper's publisher. Peter

Several people say

the book has

ruthless dragon lady. She is man k you, a relationship that Mr. Dealy describes as "the most

coospicuous and destructive case of nepotism" in corporate

In "The Power and the Mon- serious credibility

cy," Mr. Dealy has picked a prestigious target: The Wall Street Journal, which, with a cirproblems. culation of nearly 2 million, is the premier U.S. financial newspaper

It is true, as Mr. Dealy charges, that the Journal missed the savings-and-loan scandal (as did the rest of the establishment press), played down the 1987 stock-market collapse and failed to uncover Michael Milken's junk-bond crimes.

But he goes a giant step further by blaming these shortcomings on Mr. Pearlstine's friendships with prominent business people such as Donald Trump (who once ferried Mr. Pearlstine in his such as Donald Trump (who once terrice Mr. Pearistine in helicopter to a high-profile boxing match in Atlantic City, New Jersey), Ronald Perelman (the Revion chief who employed Mr. Pearistine's wife, the author Nancy Friday, as a consultant), Eli Jacobs (the beleaguered owner of the Baltimore Orioles baseball telm) and Linda Robinson (a powerful publicist and the wife of former American Express Chairman James Robinson).

The basic charge is served up in a quote in the book attributed to a New York public relations man, Davis Weinstock: "It is absolutely true that anyone of public note in the business world can call Norman Pearistine, either through intermediaries or direct, have dinner with him and, as a result, get a Journal story about them either killed, postponed or ameliorated."

But the book has serious credibility problems, according to several people who were interviewed in its preparation. They say it is filled with meetings that were never held, a romance that did not

take place and sources whose confidences were betrayed.

"He draws his conclusions on the basis of fabrication and bad information," Mr. Pearlstine said in an interview. "I think he's a

See JOURNAL, Page 15

# U.S. Bank **Earnings** Strong

NEW YORK - Five of the biggest American banking companies reported strong quarterly results Tuesday, reflecting fewer problem loans, stronger capital levels and higher fee income.

The results from Citicorp, Chemical Banking Corp., Nations-Bank, Banc One Corp. and Wells Fargo & Co. extended a healthy rebound by the banking industry.

Citicorp's second-quarter earnings, up 212 percent from the second-quarter 1992 levels, were aided by hefty trading revenues and improved loan quality.

Francis X. Suozzo, bank analyst at S.G. Warburg & Co., seid Citicorp's results were so good the bank could restore its dividend in early 1994. The bank suspended it two years ago. NationsBank and Banc One said

their loan business surged, while Chemical showed a 75 percent gain in trading revenues.

Earnings at the biggest U.S. bank, Citicorp, were \$446 million, up from \$143 million during the April-June period in 1992. For the first six months, earnings were \$1.12 billion after a special gain from an accounting change for

income taxes. Before the accounting change, first-half earnings were \$816 million compared with \$326 million a year earlier.

At NationsBank, second-quarter

net income was \$306 million, up 22 percent from \$251 million a year At Banc One, second-quarter net income was \$282 million, up from

\$243 million a year earlier. The Wells Fargo earnings were \$149 million for the second quar-ter, compared with \$82 million a

Many banking analysts have scrutinized credit-quality trends at Wells Fargo because of the sagging California economy and the bank's large concentration in real estate loans. The loan-loss provision to-taled \$140 million at June 30, down from \$300 million a year ago and \$210 million in 1993's first quarter. Chemical Banking's second-

quarter net income was \$381 mil-tion, up 59 percent from \$240 million a year cartier.

# Greenspan Signals Shift Federal Reserve to Focus on Inflation

By Lawrence Malkin

International Herald Tribune NEW YORK — Chairman Alan Greenspan of the Federal Reserve Board on Tuesday signaled a shift by the central bank toward controlling inflation by indicating it was ready in raise short-term interest rates as the U.S. economy continues its moderate expansion.

Explaining its tilt toward a more restrained mone-tary policy adopted by the central bank in May, Mr. Greenspan told Congress in his regular semiannual report even though the price bubble of this spring had burst, "on balance, the news on inflation this year must be characterized as disappointing."

The Fed, he warned, was worried about inflation expectations and said that unless they were contained, fears of rising prices "could raise long-term interest rates and stall economic expansion."

Mr. Greenspan's comments gave an immediate boost to the dollar, but the effects did not last long. The Deutsche mark drew the most attention in the markets as investors fled other European currencies. The stock market was unmoved by the outlook for increased short-term rates, usually R negative development for equities, but bond prices weakened, raising long-term yields.

Low mortgage and commercial loan rates repre-

ent the only major stimulus now operating on the U.S. economy as President Bill Clinton tries to get a deficit-reduction plan through Congress. Congressional Democrats, who had been expected to try to wrest pledges of lower rates from Mr. Green-

span, were surprisingly mild in their questioning.
The central bank's stance was oot new but "the Clear explanation in un-Fedspeak was," said David Munro of High Frequency Economics, an assistant to Mr. Greenspan when he served as chief White House economist. of a book on the Fed under Mr. Greenspan, said the chairman had publicly put the central bank on "an anti-inflation alert."

Mr. Greenspan sent his signal in part by raising the central bank's inflation forecast slightly to just above 3 percent for this year and next. At the same ime, he said that the Fed was concentrating on inflation-adjusted interest rates and not money supply targets because it had found that relations between money growth and inflation that guided the policies of most of the world's central banks during the 1980s "have largely broken down."

But with the key federal funds rate on overnight

interbank loans now at 3 percent, he said, real short-term interest rates — nominal rates minus inflation - had been close to zero since autumn and thus had already played their part in reigniting

Although Mr. Greenspan did not say it outright, the obvious conclusion in market economists was that as inflation rises even slightly above 3 percent in an expanding economy, the Fed will have to follow with increases in short-term rates in prevent the disastrous organive real interest rates of the 1970s and, as the Fed chairman did say in his conclusion, continue "re-establishing the trust in the purchasing power of the dollar."

### Mark Draws Buyers

Currency traders focused on the Deutsche mark Tuesday, as tension in the European Monetary System sent investors running for a safe haven, news agencies reported.

At the end of trading in New York, the dollar was quoted at 1.6998 DM, down from 1.7087 at the

See FED, Page 10

# **Bundesbank Official Sees Little Easing**

MUNICH - Lothar Müller, a Bundesbank council member, said Tuesday that European hopes for significant interest-rate cuts by Germany

were misplaced.

Mr. Müller, who is president of the state central bank of Bavaria, said, "We hardly have any room for rate cuts right now." Since monetary expansion and inflation remained "too high," the Bundesbank had "no choice but cautiously to steer close to the market with the oft-cited tiny steps."

In recent months, Bundesbank officials have said they would output a policy of straight have said.

they would pursue a policy of gradually easing interest rates without allowing a resurgence of inflationary pressures. One of the Bundesbank's prerequisites for rate reductions is that the German government's deficits be brought under control.

"Our present situation certainly rules out any too-daring maneuvers," Mr. Müller stressed. "I think that our room to cut interest rates isn't as big as many expect it to be,"

Germany's interest-rate policy has unsettled the currency markets for months, damaging the European Monetary System's exchange-rate mechanism. Largely because of the costs involved in German unification, the central bank has been

West German GDP to start rising late this year and post a 1 percent gain in 1994. Page 11.

fighting inflation with a policy of relatively high interest rates, despite the deep recession that has gripped Europe.

Other members of the ERM have been forced to devalue their currencies, unable to withstand sales by speculators, and Britain and Italy last year withdrew from the grid, allowing their currencies

Last week, the French franc and the Danish krone were under pressure. Some investors had expected a German rate cut last Thursday to belp.

# Paris Hails Rise In Output Data, **Analysts Wary**

Compiled by Our Staff From Dispatches PARIS — French industrial output rose 0.2 percent in May from April but was still 3.4 percent below the level of a year earlier, the oational statistical institute, IN-

SEE, reported Tuesday.

The rise, which matched or slightly exceeded economists' forecasts, followed three months of decline in the index.

The Finance Ministry said the rise - and the fact that the 12month decline had stood at 5.2 percent in the April figures -indicated France was emerging from its recession. But an economist at the institute and several private analysts said it was too early to draw

The Finance Ministry, citing the rise in output and a jump in sales last month at large supermarkets, declared: "After sliding at the end of last year and at the beginning of this year, industrial activity has now been stabilizing for three months.

This result is encouraging."

recovery in the oear future.
"It seems we hit bottom," said Patrick Mange, a senior economist in Paris for Deutsche Bank, "But there's oo way we can talk about a pickup in the economy."

France's industrial production lowest since June 1991.
"So far, the food sector had beld

comparatively better," said Gerard Fontaine, an economist at Caisse Nationale du Crédit Agricole. "It shows how badly hit the consumer is," Consumer spending fell 5.07 percent in May, leaving it down 3.9 percent from a year earlier. With the unemployment rate at

Germany said recent specula-

tion against the French franc

in the foreign-exchange mar-ket was oot justified.

There is oot the slightest

reason for speculation against

the franc," he said after talks here with President François

Mr. Kohl said Bonn stood

(AFX, Reuters)

by the franc and Europe's ex-

11.5 percent in May and forecast to rise to 12.5 percent by year-end,

there is little chance of a consumer

Exports, long the French econo-

my's main engine of growth, also have weakened because of reces-

sioo or slomping demand in France's leading trading partners,

"One can't see where the recov-ery will come from," said Reza La-

hidji of Banque Indosuez in Paris. "Companies have been taking ad-

vantage of rising unemployment to

squeeze wages, meaning house-holds' purchasing power is hardly

Some analysts said there could

be room for a rise in capital spend-

ing toward the end of the year,

however, as French companies benefit from government measures

such as reductions in some taxes

and social-security charges as well

INSEE said the overall industrial

production index was 109.5 in

May, up from 109.3 in April and down from 113.4 in May 1992. It

said the rise in the month came

mainly in the energy sector. The

figures are seasonally adjusted and do not include the building and

Mitterrand of France.

change-rate mechanis

led recovery, analysts said

especially Germany.

increasing.

Kohl Says the Franc Will Be Defended Compiled by Our Staff From Dispatches LINDAU, Germany — Chancellor Helmut Kohl of

that conclusion.

But an economist at INSEE said the rise in production was too small to be a signal that the economy was turning the corner. A recent survey by the Bank of France showed that while production was stabilizing, business leaders did not expect any

has been slowed in large part by a shump in consumer spending, and the May data did not indicate any improvement on that front. Although the manufacturing index was up 0.3 percent for the month. the food-sector index fell from as from sharp cuts in French inter-115.4 in April to 111.8 in May, its est rates.

public-works sectors. (AFP, Reuters, Bloomberg)

# Riot Police Face Hyundai Strikers

government began deploying thousands of police on Tuesday to end a labor dispute at Hyundai Motor Co. as unionists at the country's largest automaker threatened an illegal strike in retaliation.

Representatives of the 40,000 workers at the Hyundai Motor plant in the southeastern city of Ulsan said union members would launch a full strike on Wednesday if talks failed to produce a breakthrough.

Union leaders at Hyundai Heavy Industries Ltd., the largest Korean shipyard, said they would launch a sympathy strike if police entered the Hyundai Motor factory. The disputes in Ulsan are the

longest so far under President Kim Young Sam's civilian government, which has promised freer union activity as part of his reform drive.

"If labor and management do

not come to terms, the union will strike Wednesday," said a labor leader. "We are ready for police intervention," said the official, who asked not to be identified.

The Labor Ministry invoked mergency powers Tuesday, ordering workers to resume normal production or face punishment

The order was based on a provision of a 1963 law, which has never been used, that calls for a compulsory 20-day cooling-off period in a situation the government deems to

Compiled by Our Staff From Dispatches

To stop possible violence during the period, the government said the period, the government said 30,000 riot-police officers would be deployed. The Labor Ministry said it would try to avoid using police and wait for a peaceful settlement.

Previous military-backed regimes followed a tough labor policy, often triggering violent clashes between riot police and workers. Under the 1963 law, negotiations are to continue for 10 days.

Labor Minister Lee In Jac said prolonged disputes in Ulsan were harting the South Korean econo-my, which is showing signs of recovery from a three-year recession. Korea's onco-robust economy grew only 2.7 percent in the final quarter of last year and 3.3 percent

in the first quarter of this year, the lowest growth rate in 10 years. Hyundai's auto workers are demanding a 16.5 percent pay raise plus a greater say in management and hiring policy. Their average monthly pay oow is \$1,500.

Management maintains that it cannot give more than 4.7 percent, a limit set by the government to fight inflation. It instead has offered more housing and other al-lowances if production increases.

Before Tuesday, more than 50,000 workers had been on and oil their jobs at nine Hyundai compa-nies, including the nation's No. I anto plant and the world's largest (AP. AFP) shipyard in Ulsan.

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uted to our leading position in private banking. As a subsidiary of Safra Republic Holdings S.A. and an affiliate of Republic New York Corporation, we're part of a global group with more than US\$4 billion in capital and US\$46 billion in assets. These assets continue

to grow substantially, a testament to the group's strong balance sheets, risk-averse orientation and century-old heritage.

All banks in the group are locally managed, arruned to the language and culture of their customers. They share a philosophy that emphasizes lasting relationships and mutual trust. Those values were once the foundation of banking. At Republic, they have been and always will be.

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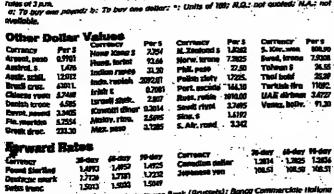


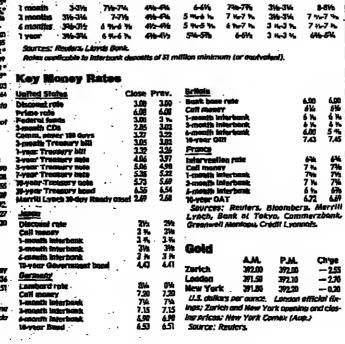
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# **CURRENCY & INTEREST RATES**

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## MARKET DIARY

# **Growth Forecast Lifts Stock Prices**

NEW YORK — Prices advanced for the second session in a row Tuesday on the New York Stock Exchange after the chairman of the Federal Reserve Board, Alan Greenspan, said secood-quarter U.S. economic growth would top

The Dow Jones industrial average ended 9.5 points higher at

## N.Y. Stocks

3,544.78, below a session high of 3548.97, while Standard & Poor's 500 Index rose 1.28 to 447.31, led by drug, auto and retail stocks. Mr. Greenspan told a House

Banking subcommittee that the economy grew "somewhere around about 3 percent" in the latest quar-ter, exceeding economists' expecta-tions of 2.3 percent growth.

"Greenspan's remarks on the outlook for the economy, as well as decent earnings reports coming through today, especially from Merck and Pepsico, have encour-

aged investors to take another look at stocks," said James Solloway, research director BI Argus Research. But the Fed chairman also implied that inflation remained B threat, and indicated that any change in interest rates was more likely to be up than down, meaning "there is enough uncertainty around to keep a lid on how high the market

## FED: Greenspan Signals a Shift

### Continued from Page 9

close on Monday, and the U.S. currency slid to 108.200 yen from

can go," Mr. Solloway said.

Dealers said there was disappointment that Mr. Greenspan's comments did not provoke a stropger rise in the dollar, and follow-

through buying evaporated.

David Gilmore, market analyst at MCM CurrencyWatch, said that after B "hawkish" speech by Mr. Greenspan, the market resumed its

### Foreign Exchange

focus on U.S. economic fundamentals, which "are not too great." Some currency analysts said Mr. Greenspan's comments were taken as a long-term strategy more than a promise of immediate interest-rate

Marc Chandler, an analyst at IDEA, said, "The dollar is still being driven by events outside the United States." He said uocertain-ty about the Bundesbank's interestrate intections was making traders

wary of the dellar, At the close of the New York session, the dollar was quoted at 1.4969 Swiss francs, down from 1.5010 at the Monday close, and at 5.8060 French francs, down from

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**WORLD STOCK MARKETS** 

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H

Declining stocks outpaced advancers 9 to 7 on the New York Stock Exchange. Trading was active, with about 275 million shares changing hands.

Drug and technology stocks helped lead prices higher. Those two groups particularly had been pversold and started taking leader-ship today," said Michael Lock-wood, head of U.S. trading et S.G. Warburg.

Drug stocks rose in the wake of secood-quarter earnings from Merck & Co. and an upgraded investment opinion from Wertheim

Merck increased 1% to 331/2 after it said earnings rose 8 percent be-fore a \$775 million restructuring charge. Bristol-Myers Squibb Co. was up 14 at 584, Eli Lilly & Co. rose 14 to 47% and Schering-Plough climbed 1 1/4 to 66 1/4.

Technology stocks were mostly higher after second-quarter losses at Apple Computer loc. bad dragged prices lower in the past few sessions. Hewlett Packard Co. was up 2% at 76%, Compaq Computer Corp. was up 1% at 45% and Microsoft Co. rose 1% to 80%.

International Business Machines Corp. was down 1/2 at 431/2 after sliding to a record low 41% amid concern over second-quarter earnings, expected to be released in the

The pound rose to \$1.5105 from

S1.4988. in earlier trading in London, the dollar benefited from Mr. Greenspan's comments, but overall sentiment was cautious. "There is noth-ing in the United States to force the dollar higher," said Richard Urwin, currency analyst at S.G. Warburg in London. He cited recently weak U.S. economic data.

The dollar ended European trading at 1.7115 DM. up from 1.7071 on Monday, and it rose to 108.650 ven from 108.450.

Attention was focused on the French franc, which has been under pressure in recept days. The mark rose to 3.4153 francs from

3.4088 on Mooday.

An analyst at First National Bank of Boston, Peter Wood, said the market thought that France might be forced to devalue the franc because the French economy was oot in a positioo to sustain high interest rates. "As the weekend approaches, people are going to become oervous again about the franc," he said.

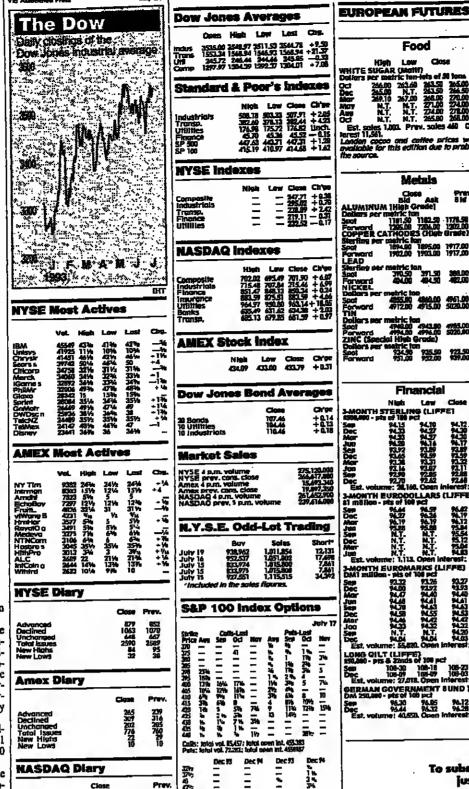
The other soft spot in the exchange-rate mechanism of the European Mooetary System, the Danisb krooe, showed more resilience, thanks to rising sbort-term interest krooer, from 3.8625. (AFX, Bloomberg, Reuters, Knight-Ridder)

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Philip Morris Net Fell 22% in Quarter NEW YORK (Bloomberg) — Philip Morris Cos. said Tuesday that second-quarter earnings fell 22 percent and announced that it would cut

list prices of all its premium cigarettes.

The food, beer and tobacco giant said earnings fell to \$1.1 billion, from

\$1.4 billion a year ago.

Philip Morris said the lower prices set to end next month on its best. selling Mariboro cigarettes would continue indefinitely and would be extended to other premium brands like Parliament and Virginia Sims.

# Merck Earnings Show Drop of 73%

WHITEHOUSE STATION, New Jersey (AP) — Merck & Co. said Tuesday its second-quarter earnings had dipped 73 percent to \$172.6 million from a year ago, including a \$775 million restructuring charge to streamline operations.

reasume operations.

The pharmaceutical company's earnings compared with \$643.7 million during the second quarter of 1992. Excluding the charge, earnings increased 8 percent to \$693.6 million

Bigfoot Kicks PepsiCo Profits Up

PURCHASE, New York (UPI) — PepsiCo, citing the success of its
new Bigfoot pizza, reported Tuesday that its second-quarter net income
had risen 13 percent to \$426.8 million, from \$378.8 million during the
same period a year earlier.

PepsiCo said the recent product-tampering hoax had occurred after the close of the second quarter and within two weeks sales growth was back

Sales jumped 15 percent to \$5.9 billion, from \$5.1 billion in 1992.

Sears Earnings Triple on Allstate

CHICAGO (AP) — Sears, Roebuck & Co. reported Tuesday that its second-quarter profit had more than tripled to \$1.01 billion, on improvement in its reported business as well as the sale of stock in its Allstate nsurance subsidiary.

Sears earnings compared with \$325.5 million for the same period last

A large chunk of the second-quarter earnings came from Sears' \$635.3 million gain from the initial public offering of Allstate stock. Excluding extraordinary items, earnings rose 69 percent to \$458.5 million.

U.S. Homebuilding Was Flat in June

NEW YORK (Renters) — Despite record-low mortgage rates, the pace
of U.S. homebuilding in June was flat, reflecting consumer uncertainty
about job security and upcoming fiscal constraints, U.S. economists said. Construction starts on new homes in June totaled 1.254 million annualized units, fractionally above economists' expectations for a 1.247 million annualized tally and unchanged from May, the Commerce Department said.

## Monsanto Earnings Increase 90%

ST. LOUIS (Bloomberg) — Monsanto Co. said Tuesday its earnings had increased 90 percent in the second quarter as sales rose 9 percent and expenses declined.

Net income at the chemicals and drug company rose to \$200 million.

from \$105 million in the same quarter a year ago.

### For the Record

Eddie Antar was convicted Tuesday of conspiring to deceive investors in his Crazy Eddie Inc. retail electronics chain and making \$75 million by selling his stock at an inflated price. He faces a long prison term that could theoretically stretch to over a century.

Capital Cities/ABC Inc. said advertising weakness contributed to a second-quarter decline in operating profit at the ABC Television Network.

Honeywell Inc. said second-quarter profit from operations fell 4.8 percent because of difficult market conditions. (Bloomberg)

# Foreign Sales Hit Swiss Stocks

ZURICH - Swiss stocks fell sharply Tuesday as foreign sell orders drove the market below support levels, traders said.

A trader at ABN-AMRO Bank in Zurich said the market was "taking three or four corrections" at the same time, but be said there was

The Swiss market, one of Europe's stroogest markets in recent months bas lost about 4 percent of its value since Thursday in a wave of profittaking. Traders said the decline continued Tuesday as international

francs (\$699.53). Bearer shares of the bank UBS lost 42 to 1,127.

Abilitio Price | 12/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 | 13/2 |

absolutely oo reasoo" for the decline other than technical factors.

rates. The mark slipped to 3.8590 investors sought to cash in their gains. knoor, from 3.8625. [AFX] Nestle SA fell more than 2 percent, or

Nestle SA fell more than 2 percent, or 25 Swiss francs, to close at 1,050

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# **U.S. FUTURES**

Season Season High Low Open High Low Class Che. Grains

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RANGE JUICE (NYCE) 2.33% 2.38% 2.48% 2.43% 2.45% 2.53% 2.55% 2.57% 2.40% 2.61% 2.60% 2.61% 2.58 2.50 2.43% 2.45

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# **OECD View.** On Jobs Is Grim

PARIS - More than 50 million people, a figure that would equal the population of Britain, Thailand or Turkey, could be affected by measured or disguised unemployment in Western industrial nations and Japan by next year, an OECD study indicated on Tuesday.

The Organization for Economic Cooperation and Development said the real extent of labor-market slack linked to a three-year economic slowdown in the West was not fully captured by measured un-employment, projected to reach 36 million in the OECD area by early

Highlighting the need for government policies to come to grips with worsening employment trends, a key issue at the Tokyo summit of the Group of Seven industrial nations earlier this month the OECD said jobless rates tended to underestimate the true gravity of

Most OECD countries, the annual report on employment out-look said, were also faced with substantial disguised unemployment, represented by discouraged workers and people involuntarily employed in part-time jobs. The re-port said that in 1991 these two categories, in which women predominate, represented more than 13 million people.

Figures in the report showed that countries with low jobless rates in 1991, including Japan and the Nor-dic nations, would have much higher rates if discouraged workers - for example, youths who do not enter the labor market — were included.

Confirming projections released earlier this month, the report said Europe's jobless rate could touch 12 percent next year, with 23 miltion out of work

Japan and the United States accounted for nearly two-thirds of the 3.7 million discouraged workers

# Fayeds to Spin Off Stores Family Will Keep Control of Harrods

Compiled by Our Staff From Disperches

LONDON — The Egyptian Fayed brothers, who won control of the British conglomerate House of Fraser in 1985, said Tuesday that they would float the group's department stores - excluding the lamous Harrods flagship - to wipe

House of Fraser Holdings PLC said its 59 provincial stores, which trade under names including Dickins & Jones, D.H. Evans and Rackhams. would be floated next year.

Apart from Harrods, that will leave the Fayeds with Turnbull & Asser, the shirtmaker to the Prince of Wales, a property investment subsidiary and a shoe manufacturer.

We estimate that the proceeds of this float and other noncore disposals would exceed House of Fraser Holdings' total group indebtedness," a spokesman for the Fayeds said. He declined to say what total group borrowings were, but did not dispute analysts' estimates of around £500 million

House of Fraser Holdings PLC said in a statement that Brian McGowan, chief executive of Williams Holdings PLC, had been appointed non-executive chanman of House of Fraser stores in place of Ali Fayed, who has stepped down from the board. Mr. McGowan will run the stores independently of the rest of House of Fraser between

The Fayeds will retain no stake in the store The current trading performance of the House of Fraser stores is extremely encouraging but we believe the full potential of the company will be realized most swiftly and most effectively if it returns to its former status of an independent, publicly held company." Mr. Fayed said in a

The 59 stores have annual sales of around £700 million (\$1.05 billion) and will report an operating profit before tax and interest of £37 million for the financial year ended Jan. 31, a senior executive

The Fayed spokesman said the stores accounted for around two-thirds of total group revenue, but Harrods was a bigger money spinner, turning in between a third and a half of profits.

Rumors that the Fayeds were looking at an offerrumors that the rayous were looking at an offering to slash debt had been circulating since talks with a development-capital concern to sell the stores for a reported £320 million foundered last year. The Fayed brothers fought a bitter ownership battle for House of Fraser, finally wrenching it from Tiny Rowland's conglomerate Londo PLC in 1985

interests to acquire the group.

for £573 million. After the hotly contested purchase, a Department of Trade and industry report published three years ago said that the Fayed brothers had lied about their origins, wealth and financial Most of the development aid is (Reuters, AFP)

**Commission Pays** In Political Coin For EC Aid Deal

Compiled by Our Staff From Despatches BRUSSELS - The European Community agreed Tuesday to an arrangement for paying 141 billion European Currency Units (\$160.49 hillion) of funds to its poor regions. but the EC Commission had to give up some control over the money as

art of the accord. EC foreign ministers were supposed to do no more than approve general rules governing the funds at meeting on Monday, leaving the Commission to share out the cash based on strict economic criteria. But in a series of late-night, closeddoor sessions, the commission was forced to abandon its principles and haggle with member states over who would get what out of the

six-year (unding package.

The money is allocated to EC members for projects ranging from road and rail construction to vocational training for young people in poor regions. The 141 billion Ecu funds for 1994-1999 more than doubles the previous five-year package.

allotted to the four poorest EC members, Ireland, Greece, Portugal and Spain, but with recession biting across the continent, richer nations such as Germany and the Nether-lands have been competing for pay-

Compiled by Our Staff From Dispatches

ESSEN, Germany — West German gross domestic prod-nct will fall by 2 percent in

1993, then rise by I percent in

1994 following growth in pro-duction toward the end of the

1993, the Rhineland-Westpha-

ban institute for economic re-

In the eastern section of Ger-

many, GDP will rise by 6 per-

cent in 1993 and 7 percent in

German automobile industry

association, VDA, said the na-

tion's June auto production

rose 4.7 percent from May, but

fell 25 percent from June 1992.

That followed a month-on-

month drop of 7.3 percent and a

year-on-year drop of 25.2 per-

Meanwhile, in Frankfurt, the

search said Tuesday.

1994, it said.

cent in May.

West German GDP Seen

Falling Through 1993

has risen above 10 percent, although the poorest regions have jobless rates of more than 20 percent.

Ireland bad stood alone in blocking a deal the other 11 member states agreed to earlier this month. But that agreement unraveled during negotiations Monday when other nations joined in threatening to veto the fund regulations.

The other "poor four" nations had objected to Ireland's claims. Some said the trish already got more than their fair share. From 1989 to 1993, Ireland was allotted 1,049 Ecus for each citizen from EC funds. Portugal received 695 Ecus; Greece, 667 Ecus; and Spain, 422 Ecus.

Irish sources said they had received guarantees of 7.8 billion Irish punts (\$11.3 billion) from the fund, just 200,000 punts short of the figure Dublin had demanded.

The flurry of negotiation Mon-day night and early Tuesday, led by Jacques Delors, president of the EC Commission, was a particularly bitter pill to swallow for the commission's top regional policy official Bruce Millan of Britain.

He bad insisted that member states should stick to the rules and leave the commission to sort out funding later. (Reuers, AP) funding later.

In June, German automakers

Retail sales in Western Ger-

many are expected to show no

nominal growth in 1993, after

rising 0.8 percent a year earlier, according to the president of the retail association, Walter Deuss.

Speaking at the association's semiannual meeting in Frank-

furt, Mr. Deuss. who is also

chairman of Karstadt AG, said

1993 would be a difficult year

for the retail trade. He said

western-sector retail sales in the

first five months of the year

increased a nominal 0.5 percent

but dropped a real 1.5 percent

manufactured 343,900 vehicles, up from 328,612 in May, but down from 461,548 a year ago.

### Investor's Europe Löndon CAC 40 FTSE 100 Index SO E MA MIJ Exchange -1.84 119,40 117.20 6,759.43 8,765.30 6.09 Stock Index Brussels 1,835.29 Franklort 1,258,14 . 1,238,96 12.04 Frankfurt ' Helsinki Financial Times 30 : 2,221.30 2,234.30 - 0.58 London 2,823.90 2,842.90 -0.57 FTSE 100 Landon 259.03 257.42 +0.63 General Index Madrid 1,288.00 1,223.00 51.23 40 1,988.44 1,981.70 -0.67 Milan : Paris 1,423.82 -1,421.53 +0.16 Affaersvæerlden Stockholm 397.34 395.37 40.50 Stock Index ..... 797.50 815.00 -2.21 Vienna Zarich

## Very briefly:

Britain's broad M-4 money supply fell by a provisional seasonally adjusted 0.2 percent in June from May and chimbed 3.3 percent from a year earlier, the Bank of England said.

• The EC Commission said it had told the U.S. film producers Paramount mications Inc., MCA Inc. and Metro-Goldwyn-Mayer, a Turner Broadcasting System unit, that agreements among them on film distribution in Europe through a joint venture restricted competition.

 European Community annual inflation was unchanged at 3.3 percent in June compared with May, but down from 4.4 percent in June 1992; the June rate stayed above that of the United States, with 3 percent, and Japan, at 0.9 percent.

• The EC Commission has approved a joint cruise venture among the French hotel concern Accor SA, the transport company Chargeurs SA and the Italian holding company Il Ponte SpA; the link-up would make the joint-venture company, Costa Crociere Paquet, the strongest cruise operator in Spain, Italy and France, the commission said.

 Carlsberg-Tetley Brewing Ltd. and the regional brewer Eldridge Pope & Co. bave formed an alliance in a bid to widen their distribution and increase market share.

# Siemens Profit Edges Higher

Compiled by Our Staff From Dispatches MUNICH - Siemens AG announced Tuesday a weak but slightly better-than-expected performance in the first nine months of its financial year, with profit

rising 0.8 percent, to 1.32 billion Deutsche marks (\$770.7 million). Group sales in the nine months that ended June 30 rose to 55.8 billion DM from 55.0 billion a year earber, but the order inflow fell to

59.9 billion DM from 63.1 billion. The small profit gain at the elec-

trottics company was attributed to foreign results.

"While domestic sales were hit by falling orders, our overseas business recorded small growth," the company said.

Siemens said the growth in sales abroad came in spite of the appreciation of the mark against other Eu-ropean currencies, helped by a robust performance from its industrial and building systems businesses.

(Reuters, Bloomberg, AFX)

# Optimism at Cable & Wireless

meeting, the chairman, Lord Young, said core businesses were growing strongly. Cable & Wireless improved its cash control and reduced its debt-to-equity

The chairman dismissed concerns that the profitable Southeast Asia operations would be lost when Hong Kong reverts to Chinese rule in 1997. "The great days of Hong Kong will be after 1997," said Lord Speaking at the company's annual shareholders'

ratio to 13.2 percent from 26 percent, he said. this to 13.2 percent from 20 percent, he said to 13.2 percent from the growing Chinese economy.

Lord Young said Cable & Wireless continued to from the growing Chinese economy.

Last month, Cable & Wireless said its pretax profit Last month, Cable & Wireless said its pretax profit. aim to achieve double-digit growth in earnings per

In the year ended March 31, Cable & Wireless's LONDON — Cable & Wireless PLC said Tuesday operating profit at its businesses in Southeast Asia and that it had made an "encouraging" start to the current the Pacific region rose 16 percent to £563 million, accounting for about 70 percent of the group's total and Parish businesses in Southeast Asia and the Pacific region rose 16 percent to £563 million, accounting for about 70 percent of the group's total operating profit before exceptional items.

The chairman dismissed concerns that the profit-

Hong Kong reverts to Chinese rule in 1997. The great days of Hong Kong will be after 1997," said Lord Young explaining that the company hoped to benefit

share, excluding currency factors, "year in and year out," particularly in Southeast Asia and Hong Kong. Hong Kong and the surrounding area is "probably the fastest-growing economy in the world," he said.

Last month, Cable & wireless said its pretax profit in the year ended March 31 had risen to £918 million out," and the year ended March 31 had risen to £918 million out, "particularly in Southeast Asia and Hong Kong. (\$1.4 billion), from £644 million a year earlier. Hong Kong and the surrounding area is "probably the rose to £3.83 billion from £3.12 billion a year earlier. (Bloomberg, AFX)

# Oil Slips on Worries of OPEC Inaction

Compiled by Our Staff Prom Dispatches LONDON - Oil prices retreated Tuesday, after Monday's surgefollowing news of an emergency OPEC meeting, as traders said it was unlikely that the group would The Organization of Petroleum.
Exporting Countries called an ex-

COMPANY RESULTS

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traordinary meeting for July 28 in Vienna to discuss the steep fall in international oil prices. Prices have plunged as much as 18.5 percent since June 1.

In late trade, September Brent act in concert to reduce output in finners on the International Petro-the face of renewed Iraqi exports. Learn Exchange were 39 cents lower at \$16.66 per barrel, after gaining 74 cents Monday. The comparable

tile Exchange was trading 40 cents lower at \$17.85 per barrel, while the August contract, which was to ex-pire Tuesday, had shed 35 cents to

\$17.35 a barrel. The president of OPEC, Jean kann Exchange were 39 cents lower Ping of Gabon, plans to fly to Sanat \$16,66 per barrel, after gaining di Arabia on Wednesday for talks that the oil industry hopes will

Sabena Accord

Averts a Strike

proposed by the carrier.

Compiled by Our Staff From Dispatches

sweet crude contract for September yield an initiative to prop sagging delivery on the New York Mercancene Mefu of Algeria said in an interview in the Algiers newspaper El-Watan that the goals were to prepare for Iraq's "organized return" to the market and, if possible, to reconsider integrating Kuwait in a new OPEC output accord. (Bloomberg, Knight-Ridder,

North Star Group of Companies operates 33 investment funds which have been awarded No. 1 by Lipper's of the US in 1985, 1987, 1988, 1990, 1991 and 1992.

BRUSSELS - Sabena Belgian | 17% p.a. World Airlines and union representatives said Tuesday they had agreed in principle to save 900 mil-

hon Belgian francs (\$25.4 million) in costs while limiting wage cuts The agreement averted a strike that had been called for Tuesday by some unions, although some bag-gage-handlers and catering staff

went on strike during the day. Sa-bena said that all flights were being flown normally. The cost savings would reduce the amount of wage cuts the com-pany plans on making to 1.1 billion francs from 2 billion francs.

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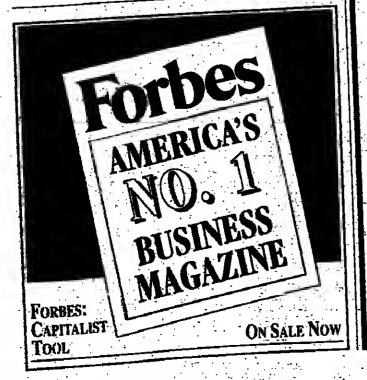
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## REPUBLIC OF LEBANON MINISTRY OF HYDRAULIC AND ELECTRICAL RESOURCES COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION

ANNOUNCEMENT FOR PRE-QUALIFICATION FOR THE

SUPPLY AND ERECTION OF TWO COMBINED CYCLE POWER GENERATING PLANTS

Within the framework of priorities of The National Programme for the Recovery of the Infrastructure, the Government of Lebanon, acting through the Ministry of Hydraulic and Electrical Resources invites applications from suitably qualified International power station contractors to pre-qualify to tender for the supply and execution on a turn-key basis, of two Combined Cycle Heavy Duty Power Generation Plants.

The two power stations will be erected at Zahrani in South Lebanon and Beddawi (I.P.C) in North Lebanon.

The total generation capacity at each site will be around 415MW plus or minus 18% (I.S.O.) 50 Hz.

The gas turbines at each site will operate at a first stage on Diesel-Oil, then at a second stage on Natural Gas.

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  - Civil engineering

  - Equipment Fuel storage
  - Environmental protection.
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- C. The supply, shipping and commissioning of the complete combined cycle equipment in perfect operating order, including the necessary spare parts for a rational operation starting from the preliminary handing over date and extending for three years.
- The supply, shipping and commissioning of the high voltage sub-station equipment at The necessary civil works for each site (sea water intake, plant foundation,
- administration buildings, warehouses, workshops, access and internal roads, laboratories, boundary walls etc...). Operating and maintenance of the stations for a period of three years subject to

renewal. Only manufacturers of gas and steam turbines will be pre-qualified for this tender.

Pre-qualification applications must be on the basis of the pre-qualification document prepared by the Council for Development and Reconstruction, which will be available at the CDR offices against the sum of U.S.\$ Five Thousand (\$ 5000) effective Tuesday, July 20th, 1993 at the following address:

Council for Development and Reconstruction (CDR) Tallet El-Serail Beirut - Lebanon

Deadline for returning the duly completed pre-qualification document with all relevant supporting material is 12:00 noon (Beirut Local Time) on Monday 30/8/1993.

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(1997年) 李明縣東西部

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Investor's Asia

SINGAPORE — In March, after deciding to become a two-car family, Soong Tuck Yin and his wife paid 73,000 Singapore dollars (\$45,075) for a little 1993 Mitsubishi Coh.

The Soongs count themselves blessed Driving the same three-door hatchback off the lot today, after paying taxes and Singa-pore government permits, would cost them 84,000 dollars instead — an increase of 15 percent in four months.

The soaring price reflects high mores and tough regulations intended to protect Singapore from the ugly sprawl of traffic and clouds of exhaust fumes that afflict many other cities around the world, including nearby, capitals each as Bangkok and Jakarta.

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But even as the government has limited the number of cars permitted on its roads and made it increasingly expensive to own and operate one, many of Singapore's affluent young people remain willing to pay the price.

"As a Singaporean, I can say that property and a car are the two most important things in life." said Mr. Soong, 29, an investment analyst. "Sure, new-car prices are high, but people will confinne to chase after them." Singapore's regulations have made it an

exceptionally livable city, an unhurried, clean

of the developing and newly developed world. But the regulations have ensured that not everyone can afford a car. New cars are taxed at a rate of 195 percent, and taxes rise sharply on cars that are 10 years old or more to

encourage owners to scrap them. The result is that a 1993 Honda Civic with a manual transmission that would cost the equivalent of \$27,413 in Kuals Lumpur and \$33,955 in Jakarta would cost \$60,100 in Singapore today. Some analysts expect demand for ears to taper off toward the end of the year, however, when Singapore's economy is expected to cool.

In addition to high taxes, Singapore has banned the importation of cars more than three years old and imposed a levy on cars entering the central business district during peak hours. Strict pollution-control standards are also imposed.

The nation of 3 million people has just 280,000 cars — and not even those are all allowed on the road at the same time. The country has a special category of automobile, identified by bright red license plates, whose drivers pledge to use them only at night or on

weekends. Even cars from neighboring Ma-

than five days a year,

Of course, Singapore can get away with such tight regulation and fees because it is a small island nation of 225 square miles (580 square kilometers) with one of the most modern and efficient public-transportation systems in the world. An air-conditioned subway system built in the late 1980s covers much of the main island and is being expanded to cover the rest, and the city's taxis are cheap, plentiful and clean.

A key to automobile regulation in Singapore is the certificate of entitlement, which es the holder the right to buy a new car. A limited number of the certificates are issued each month through government auctions. In just two years, the price of a certificate to buy a car about the size of the Soongs' little Mitsubishi hatchback has soared to \$27,080

Since Singapore introduced the system in 1990, people who bought new cars then have seen the value of their certificates rise more rapidly than their cars have depreciated.

Mr. Soong tells of a friend who bought a Honda Civic in 1990 for 58,000 dollars and sold it recently for 62,000 dollars.

# Japan's Economy Crawling Upward, Government Says

TOKYO - Japan's economy is

moving upward sluggishly, with personal consumption and capital investment still weak, the Economic Planning Agency said in its monthly report Tuesday.

With wording basically unchanged from the previous month, the report coincided with other figares showing further gloom on the economic front. The monthly report is regarded as the govern-ment's consensus on the economy. The agency said in a separate

report that its index of leading economic indicators — signaling con-ditions six months ahead — fell below the boom-or-bust line of 50 points in May for the first time in five months.

Household spending in May fell by an inflation-adjusted 1.3 per-cent from a year earlier, marking the first decline in three months, the Management and Coordination

Agency said separately.

The statistics are not clearly showing that the economy has bottomed," said Sozaburo Okamatsu, vice minister at the Ministry of International Trade and Industry.

Last month the Economic Planning Agency director at the time, Hajime Funada, said the economy had bottomed. The remarks were dismissed by the Ministry of Inter-national Trade and Industry, which said such a stage would be reached only when industrial output had own from the year-earlier level for three months in a row.

The latest report said the economy showed signs pointing to a re-covery, although it was still in an djustment phase and sluggish. Osamu Takatori, the agency director general who replaced Mr.

admitted that the political turmoil following the election could adversely affect the economy.

The ageocy's separate report showed the index of leading ecocomic iodicators falling to 30 points in May, down from a revised 63.6 points in April and 79.2 points in March. Fifty points is considcred to be the dividing line between a future contraction or expansion in Japanese economic activity.

Of the 13 categories of economic activity measured, three were posi-

tive: producer inventories, floor space of bousing starts and money

### Tokyo Concedes Surplus Too High Agence France-Presse

TOKYO — Japan's top trade official admitted Tuesday that a current-account surplus of more than \$100 billion was abnormal, but said Tokyo had not agreed with the United States to reduce it to any specific level.

Japan posted a record currentaccount surplus of \$118 billion last year. Sozaburo Okamatsu, vice minister at the Ministry of International Trade and Industry, said the new framework agreement with the administration of President Bill Clinton included oo targets for reducing the surplus.

Last year's record surplus included imbalances of \$45 billion with the United States, \$44 billion with Asia and \$37 billion with the European Community. Funada after he defected from the

Hong Kong Hang Serig Singapore Straits Times Nikkei 226 TO EMANJI Prev. Exchange Close. Hong Kong 6,846.81 6,813.72 40.49 1,774.34 1,778.58 Singapore Straits Times 1,806.10 1,795.20 ·Nikkai 225 Kitala Lumpur Composite 745.90 742.50 Composite 356.38 -0.40 Stock Index 1,712.70 1,706.62... +0.36 New Zealand NZSE-40 Sombey National Index 1,010.00 997.20

### Very briefly:

Chinese per capita income grew faster than inflation in the first six months of the year; while prices were up 12 percent, urban income rose 28 percent and rural income was up 18 percent, the official China Daily said. • The Bankers Association of the Philippines said the U.S. dollar was at its highest level in almost three years against the peso as speculators roiled the market; the dollar ended at 27.8330 pesos, up from 27.7540 on Monday and the highest since 28.5600 on Nov. 2, 1990.

· Taiwan Power Co., a government-owned company, plans to allow private involvement in power plants other than nuclear facilities.

Taiwan's export orders were \$6.99 billion in June, up 3.25 percent from the like mooth a year earlier, and first-half orders rose 6.89 percent, to \$42.31 billion; most orders were for textiles, followed by electronic goods. Siu-Fung, a privately held ceramic-products manufacturer in Hong Kong, has signed four contracts worth 679 million Hong Kong dollars

(\$87.6 million] to produce ceramic tiles and carry out other projects with the Handan Ceramic Group in Heibei province, China. . NKK Corp. and Kobe Steel Ltd. will try to cut manufacturing costs for pig iron by developing a process to feed coal directly into blast furnaces.

Bloomberg, AFX, AFP, Knight-Ridder

# Overseas Trust Sale Believed to Be Near

HONG KONG - Eight years after rescuing Overseas Trust Bank and a year after openi negotiations for its sale, the Hong Kong goverument appears nearly ready to name a buyer.

Speculation is growing that the investment concern Guoco Group Ltd., one of several companies that have expressed interest, will make the winning bid for Overseas Trust.

"I think it's all over, barring hageling over the price," said Nicholas Peacock, an analyst at Schroder Securities, "Guoco's chances of getting it are pretty good."

Officers of Guoco declined to comment. A

government official said negotiations were still

being held with several parties and were "at a delicate stage."

Karen Udovenya, a banking analyst at Morgan Stanley Asia Ltd., said she believed the government was asking about 4.5 billion Hong Kong dollars (\$580.3 million) for Overseas Trust, a price that analysts say Guoco would have no trouble meeting.

Despite its past financial problems, the company is now worth the price after careful rebuilding by the government, analysts say. It posted a consolidated net profit of 353 million dollars in the year ended in June 1992, up 72 percent from the previous year and a sharp

turnaround from its consolidated loss of 3.05 billion dollars in the 1985 financial year.

Guoco already owns Dao Heng Bank, the fourth-largest octwork of bank branches in Hong Kong, after Hongkong & Shanghai Banking Corp., Hang Seng Bank and Bank of East Asia.

Overseas Trust has 48 branches, 42 of which are in Hong Kong. Dao Heng Bank has 48 branches in Hong Kong and elsewhere in Asia. Hong Kong financial officials had for years sisted disclosing the names or the number of potential buyers of the bank, which was de-

# Group Led by American Company Buys New Zealand Rail

clared insolvent in 1985.

WELLINGTON - The government sold its railway system Tuesday to a consortium led by the American railroad company Wisconsin Central Transporta-tion Corp. for 400 million New Zealand dollars (\$218.4 million). The price was about one-third more than analysts

the railway's assets. The purchase does not include the land on which the tracks run, which remains in gov-

had expected but less than half the estimated value of

opposition to the sale and the prospect of general elections this year. The three opposition parties all opposed the sale.

'It's a great decision for New Zealand Rail, it's a great decision for growth and a great decision for competitiveness and therefore for jobs," Finance Minister Ruth Richardson said.

She would not say whether the winning bid was the highest one, but she said it was the "best value" and the "cleanest" bid.

The government acted despite widespread poblic tal injection by the turn of the century and that the

The leader of the opposition Labor Party, Mike

Moore, countered that, while a government monopoly was bad, "a private mooopoly is even more dangerous.

However, asked whether a Labor government would buy back the railway system if it won the elections that are due before the end of the year, Mr, Moore said, "I don't believe we should do that."

The buyers said they would sell a stake of 30 percent to 50 percent back to the public in three to five years. NZR, which moved oearly 9 million tons of freight

three ferries that link New Zealand's two islands. Its assets are valued at 860 million dollars.

ft was one of the few state-owned railways in the world to operate at a profit, posting earnings of 36.3 million dollars for the year ended in June 1992. It will continue to receive a subsidy of 28 million dollars a year to maintain its passenger service.

Wisconsin Central, together with the Boston-based investment concern Berkshire Partners, will own 60 percent of NZR, and the New Zealand merchant bank Fay, Richwhite & Co. will own the rest.

# Officials in China Told to Spend Less

BEIJING — China's finance minister on Tuesday ordered cuts in government spending and said official purchases of cars, mobile telephones, office

equipment and other costly items would be strictly limited.
Lio Zhongli also blaned local governments for giving unamborized tax breaks to attract industry. He said these would

ed as the government sought to-reduce inflation, stabilize China's currency and regain con-trol over a spiraling public and

private debt. Mr. Lin said administrative. spending ballooned 27 percent in the first half of last year.

Total government spending was 161.9 billion youn (\$28.2 billion), up 12.5 percent from the same period of 1992, while revenues grew only 3.5 percent to 164.55 billion yuan.

Although this leaves the trea-sury with a small surplus, major government expenses such as purchasing the grain harvest come in the second half of the

At this time last year, the surplus was 20 billion yuan larger than it is now, and the year still ended with a record

23.66 billion yuan deficit. The government has had deficits for 12 of the past 13 years.

"The slow growth in revenue has left us struggling with a cap-ital shortage, which threatens

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the start of a four-day meeting, the Xinhua news agency said. "Cutting public expendi

ing months of this

the remaining year is the key." He ordered the provinces and lower-level governments to cut lower-level governments to can speading; on meetings by 20 percent and to stay within their pulligate for office equipment. The restrictions also apply to state companies, he said. The China News Service in

He announced plans to audit. Hong Kong reported other decompanies suspected of tex eva-tails of Mr. Lin's speech, and sion, starting in Angust. quoted him as blanning "a few sion, starting in Angust. quoted him as blaming "a few The spending cuts and tough areas and departments" for er tax policies had been expect-

> Cutting public expenditure this year is the key.' Liu Zhongli,

finance minister

"granting too many preferential policies, obstructing regular tax collecting."

He also accused local governments of undervaluing the capi-tal contributed by Chinese investors to foreign joiot ventures, thereby allowing too large a share of the earnings to go to the foreign side.

Earlier this month, the government replaced the central bank governor and ordered banks to recalf speculative loans, stop investing in real es-tate and stick within the limits of their annual loan plans, It also sent 10 teams of senior state projects." Mr. Lin told city and make sure that the orprovincial finance officials at

# Singapore Telecom Pares Size of Public Offering

SINGAPORE — Singapore Terrise in Singapore Telecom's reverence and Tuesday that its shares one to 2.76 billion Singapore dolwould be floated as scheduled this year but the initial public offer could be considerably less than 25 percent of the paid-up capital of the company, the minimum size needed for most companies for list-

ing on the local stock exchange.

The Stock Exchange of Singapore "has given a waiver to sell significantly less than 25 percent of the company in its initial public offering," said Koh Boon Hwee, the company chairman.

The much-talked-about flotation, however, will be the largest issue offered on the exchange, Mr. Koh said at a news conference.

BOMBAY — Nearly a quarter-century after taking over its major banks, India dismantled a bastion

of the socialist economy by throw-

ing open the sector to private com-

petition in an attempt to stimulate

Bankers said at least three orga-

lars (\$1.71 billion) in the financial year to March 31, said it would be the biggest company to be listed on the local bourse. Analysts said it would add up to 20 billion dollars to stock-market capitalizacon.

For the last financial year, the group reported net profit of 1.01 billion dollars, down from the pre-vious year's 1.34 billion dollars. The decline was attributed to lower interest income and having to pay income tax for the first time after being converted from a government department into a corporation.

public limited companies, trusts, firms and professionals," said

Chakravarty Rangarajan, governor of India's central bank. "These are

Under reforms launched in 1991,

licensing has been lifted in most

industries, the rupee has been float-

ed and majority foreign equity in Indian ventures is permitted.

The banking sector came under

scrutiny when the country's worst banks.

under examination."

(Reuters, AP)

**India Allows More Private Banks Under Reform** 

# Guangzhou Shipyard Sets Offering of Shares

HONG KONG — Guangzhou Shipyard International Co., a state-run company in China, will offer 145 million oew shares to the public beginning Wednesday at 2.08 Hong Kong dollars each, the

company announced Tuesday. Proceeds from the shares, to begin trading on the Hoog Kong bourse on Aug. 6, would total 301.6 million dollars (\$37.7 million). It would be used as working capital.

Guangzhon Shipyard is the third China company to make a public

offer of shares. Six others have said they intend to do so. Stock analysts estimated the price-carnings ratio of Guangzhou Shipyard shares at 8.3, based on the offer price and prospective earnings per share of 27.55 yean (\$4.75). The mulople is well below the Hong Kong market average of about 11.

"It will be oversubscribed by quite a big margin" because it is attractively priced, said Chris Malpass, research director at Peregrine Brokerage. The shares being offered represent about 42.7 percent of Guangzhou Shipyard's registered capital.

Requests have come in from funds to invest in the booming ontside the sector," said J.V. Shetty.

private banks would introduce greater competition, which in turn

would lead to higher productivity and efficiency in the Indian finan-

The commercial-banking sys-

tem, which has about 60,000

branches across India, is currently

dominated by the state-owned

"Liberalization and deregulation

Mr. Rangarajan said the entry of sociation.

# Political maneuvering in Japan Another roadblock to EC Union?

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France	F.F.	1,950	40	1,070	590
Germany (mail)	DM	700	***	385	210
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chairman of the Indian Banks As-

Mr. Rangarajan said the system

was being improved to help India develop its infrastructure in the in-

dustrial and agricultural sectors, where the ambitious reform pro-

gram was spurring unprecedented

the banking sector and the finan-

cial system, therefore, is a neces-

sary prerequisite for the overall im-

provement of the economy." Mr.

**ESCORTS & GUIDES** 

Rangarajan said.

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# $\mathbb{G}\mathbf{M}$ : Court Adds Clout to Carmaker's Claim That VW Official Stole Secrets

### Continued from Page 1

ing attorney investigating GM's criminal charges against VW, said the evidence admitted in Hamburg would also be scrutinized in Darmstadt, where the criminal investigation continues. He said that evidence gathered so far, including the four boxes of GM documents. "supports the arguments of Opel and GM."

VW shares fell 2 percent, to 351 Deutsche marks (\$205) on the Frankfurt stock exchange as the market took a "sell now, ask questions later" attitude to the decision, in the words of

VW conceded at least a partial defeat.

"The court confirmed Der Spiegel's right to report the suspicion," the company said in a three-page statement. VW had filed an injunctive-page statement. tion against the magazine to prevent further publication of allegations of wrongdoing by Mr. Lopez and associates who left GM for VW.

The full text of the Hamburg court's opinion

print the following statements: "Opel could have swallowed the loss of Mr.
Lopez and his methods, but the company's very survival is threatened by what it claims to have discovered after the strange departure of its purchasing manager - that the devout Catholic carted off entire crates of corporate secrets ... having to do with suppliers and their prices.

secret construction plans and model studies." • "Mr. Lopez and his spies were said to have systematically gathered secret documents for months. As early as November 1992, according to the allegations, photocopying boomed and data was saved on disks."

· After the departure of Mr. Lopez & Co. in Detroit, none of the secret documents could be

The court also threw out VW's injunction on future articles that suggested "that Mr. Lopez and the workers who switched with him to VW

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will not be published for several weeks. In the meantime, it said, Der Spiegel is allowed to print the following statements:

had taken secret GM documents from GM and delivered them to VW." The court upheld several points in VW's injunction, but officials for

Der Spiegel said those points were minor. One of the most serious allegations is that Mr. Lopez asked for technical specifications for a successor to Opel's popular Astra just days before his departure. The Astra is in direct competition with VW's Golf.

Mr. Lopez has said he switched to VW because it offered him the chance to build an experimental automobile factory in the Basque region of Spain after GM rejected the plan.
After GM filed suit for espionage, VW also
rejected the plan, ostensibly because of overcapacity in the industry.

The GM-VW spat has soured relations in Germany's usually clubby corporate community. Gerhard Schröder, premier of the state where VW is located, said VW was "a target of a campaign by foreign competitors."

NASDAO prices as of 4 p.m. New York time.

This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value, it is

updated twice a year.

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Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press 1,14g 12.3 20

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# JOURNAL: Book's Account of Newspaper's Lapses Comes Under Attack

Continued from Page 9

iraud and a lake." He added, "Any careful reporter who checks out his assertions will find they fall apart"

An attorney for Mr. Weinstock says in a letter to the book's publisher that Mr. Weinstock had spoken briefly and off the record to the author and was "outraged that Mr. Dealy would presume on this privileged conversation to create the illusion of an interview."

The publisher, Birch Lane Press, is hardly shying away from controversy; it freely made available the letters from people bashing the book, perhaps on the theory that no publicity is bad publicity. Journal executives, meanwhile, have decided not to attack the book, because that would simply boost its sales.

The author, Mr. Dealy, 55, worked as an advertising salesman and corporate executive for Dow Jones & Co., the Journal's parent company, from 1977 to 1982. He quit after the company folded his publication, Book Digest.

"They're upset, but that's understandable

under the circumstances," Mr. Dealy said by telephone from his London home. "I went out and interviewed 313 people, and this is what they said."

Mr. Pearlstine says he oever hid his friend-ships with various wealthy New Yorkers, but he says Mr. Dealy "uses a lot of half-baked ru-mors" to infer that these friendships affected the Journal's news coverage. "I can flat-out say I never let any personal relationship influence coverage in the Journal and never would," said

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# Justice Chief Rebukes Mitterrand

PARIS — As the bribery case involving Enropean champion Olympique Marseille headed for a showdown Wednesday, made another sharp veer, with the Minister of Justice. Pierre Mehaignerie, criticizing President François Mitterrand for supporting the soccer team's owner, Bernard Tapie.

Mehaignerie, who has started libel proceedings against Tapie because of comments comparing the case's investigators with the Gestapo, told TF1 television on Monday night that "there is a balance to be respected and the calming of feelings that I want means that everyone must avoid throwing oil on the fire."

Mitterrand's comments in a Bastille Day television interview, the minister added, "have been interpreted by some people and by some

magistrates as putting oil on the libel suit, Mehaignerie has also told Belfy, in whose chambers in Valenfire in this affair."

"is intelligent and energetic. I don't know why he should be named in connection with this affair."

Mitterrand added that he admired the Marseille team and that it "owed a lot to Bernard Tanie," Though investigators have said that the evidence so far does not link

Tapic to the alleged bribe, the controversial politician-entrepreneur has been accused by the former coach of the Valenciennes team, Boro Primorac, of offering him money and other inducements to take the blame for the alleged bribe.

The justice minister has been taking an increasingly tough line on the investigation, which has dominated French front pages for the past month. As well as castigating the president and starting a

not tell how long she would have to

team's elimination.

The German captain, Klaus Hofsass, blamed himself for the

"I knew about Steffi's injury and

l should have never let her play,' he said. "It was my big mistake."

Top-seeded Spain, led by Arantza Sánchez Vicario and Con-

chita Martinez, swept past the Brit-

ish team of Jo Durie and Clare Wood, 3-0, losing only one set, in

The U.S. team, seeded fifth, ad-

vanced to the second round by beating Switzerland. Lindsay Dav-

emport, making her Federation Cup debut, beat Christelle Fauche, 6-4, 6-3, and Lori McNeil rallied to de-feat Emanuela Zardo, 1-6, 6-3, 6-3.

Ann Grossman and Debbie Gra-

In other first-round matches, seventh-seeded Netherlands shut out Croatia, 3-0; No. 8 Japan blanked Colombia, 3-0; Denmark

ham completed the shutout by win-

ning the doubles, 6-3 6-1.

the Valenciennes prosecutor Eric Mitterrand had said that Tapie de Montgolfier to restrict his declarations in the case.

But Mehaignerie said this time that he was very "satisfied with the energy that the investigating magistrate and prosecutor were putting into finding the truth in this affair."

The investigation will reach a crucial new stage Wednesday when Marseille's general manager, Jean-Pierre Bernes, is confronted by the four players who have accused him of bribery.

Bernes, Tapie's right-hand man
at Marseille, has steadfastly denied

any role in the payment of 250,000 fielder Jean-Jacques Eydelie to three Valenciennes players, al-though all have named him as the

instigator.
The investigating judge, Bernard

# Ruddock, Anew, Off to Liverpool

LONDON - Neil Ruddock's cash dispute with the Premier League team Totten-ham was resolved Tuesday, clearing the way for his \$3.7 million move to Liverpool.

Ruddock was sign to Monday, but the deal threatened to collapse when he demanded that the North London club pay him \$225,000, the amount that would have been paid in stages had he honored the last three years of his contract.

Tottenham had signed another center-back, Colin Cal-derwood, on Monday. Liverpool did complete a \$3.4 million transfer Tuesday, get-ting Nigel Clough from Nottingham Forest.

# Here's a Toast to the FA

L senger to the young. The power of advertizing has transformed soccer into a global billboard industry, and where the money is recycled to further the game 30

much the better. However, it needs regulators. In England there are concurrent promotions that mix messages as potent as

The English FA, host to the ninth European Youth Championship, uses this prestigious under-18 tourna-ment to convey the slogan: "Take a Soft Option and Avoid the Mourning After."

This is being pushed by the government and paid for by the Portman Group. The Rob Hughes A latter comprises

efactorers in the United Kingdom whose own competitiveness is tinged by a conscience toward the deathy cocktail of drinking

There is a symmetry here: Eight brewers using eight European teams to spread the word that drivers should stick to soft drinks. Campaigns such as this have appar-ently contributed to a trend that has more than halved.

ently contributed to a trend that has more than halved Britain's drinking-related road victims—down to 710 dead and 4020 seriously injured in one year.

"We are delighted the Portman Group decided to sponsor the European Youth Championship with this anti-drink-drive message," said the tournament's director, Adrian Titcombe. "The aim is to encourage our teenagers to adopt a healthy lifetsyle, and this includes taking exercise and playing football. This does not include drinking and driving."

Titcombe works for the succer federation. His missionary tone would be more welcome were it not for

ionary tone would be more welcome were it not for

sonary tone would be more weacome were it not for the fact that the FA, together with one of the eight howers, is playing a double standard. In the same week, almost the same hreath, we are informed that the Premier League is now to be known as the FA Carling Premiership. Carling is a brand name from Bass Brewers. It is one year since the Football Association went to

court to annex the first division of the century old Football League and rename it the Premier League. Rick Parry, an accountant, helped negotiate a £304 million (\$455.7 million) Sky Television package for

A year later, now the league's chief executive, Parry says: "Ever since we agreed to the spomorship with Carling we have been looking for a sample way of separating the competition from the organization flat-rans and administers it. There is no confession ever-changing identities: This is a new title which will give Carling maximum public recognition for their sub-stantial long term investment.

image of England's secon hooligans, an image that colonizated in that dreadful night at Heysel Statium in Brussels in 1985.

Since Heyed, and the mass deaths at Hillsborough that also were alcohol related, the FA has done a sober job in convincing UEFA and FIFA that its clube and its fans deserved a new chance among Europeans. The authorities, the police, and the lans themselves

have recreated a more responsible climate. But no only especially after the violent consequences of 1992? beer-test diplomacy in Sweden, dates underestimate the influence that dank has on crowd misbehaviour.

This has never been unique to England, or to soccer. This paint's niots in Montreal and Chicago tell us that. But it seems irresponsible for the English FA, of all bodies, to issue two commasting alcohol messages. Curbing directlying while promoting beer productions of the community of the comm acts is not, per se, incompatible. But it is a devil of a halancing act.

S OCCER PLAYERS set a wretched example. Tony
Admes was restored to the captainty of Ariemal Adams was restored to the capturity of Arseml and to England's national term defense after serving a prison sentence for crashing his car time years ago while attempting to drive with time times the legal alcohol content in his bloodstream.

"The boy made a mistake," we were told. The boy, 26, excel again a few months ago. He needed 29 stitches for a head wound after "having a few drives, and transfers and transfers, down some start.

missing my footing and marbling down some stains.

They often fall short of professional expectation.

but never of excuses. Paul Gascoegne, whose drunkdriving has also veered off line, repaid Lazio's concern for his welfare by reporting 14 pounds (6.4 kilograms)

rer weight this week.

The Rome club had persunded the England team to the Rame cater and persuades the cagging team to not overwork Gascongue by taking him to the United States for the U.S. 93 Cap. Instead, he spent his time on a Florida beach, returning bloated for a season which, after the allowances made for his devastated right knee, might make or break his easer.

Gascoigne wavers between being one of the great entertainers or another sad clown whose weakness is drink and whose invesponsibility is his Achilles' heel.

Refore him came George Best, Gerd Muller, Jimmy
Greaves. Each sought chaical help for alcoholism; care lives day to day as reformed addicts must. But Carriacha, the finest instructive winger ever, lost the fight. The last days of Brazil's "little bird" were as a institutionalized derelict, whose kidneys failed due to

alcoholic poisoning.

Rather than feeling compromised, the FA holds up a glass to its own on business accuses in one hand, a soft death to youth in the other. FA officials, and journalists and physics, showed much alreaded free on the Englands team's conformed planes mider rules laid down by the femile manager, Graham Taylor, a tectotler.

However, the spirit of the late H.L. Mencken—"never to refuse a driok after dark"— will hold sway

"messet to effort a decide after data" — will hold start the same that millions of people will be made aware of the association between the country's No. 1 beer and the top flight of English football."

Millions already knew the connection. The FA has been trying for two decades to live down the lager loss.

The paymaster? A contain brewery has the second to the association between the country's No. 1 beer and the top flight of English football."

The paymaster? A contain brewery has the spirit of the late. H.L. Mencken — "new for a drink after data" — will hold start the four "limit we discuss the data" — will hold start the four "limit we discuss the flight of Parliament, societ players, editors and painted country and the lager loss.

The paymaster? A contain brewery has the flight of the late. H.L. Mencken — "new four the late. H.L. Mencken — "new four data." — will hold start the flight of property and All-Party (Parliamentary). Pootball that the late of the late. H.L. Mencken — "new four data." — will hold start the flight of the late. H.L. Mencken — "new four data." — will hold start the flight of the late. H.L. Mencken — "new four data." — will hold start the flight of the late. H.L. Mencken — "new flows after data." — will hold start the flight of the late. H.L. Mencken — "new flows after data." — will hold start the flight of the late. H.L. Mencken — "new flows after data." — will hold start the flight of the late. H.L. Mencken — "new flows after data." — will hold start the flight of the late. H.L. Mencken — "new flows after data." — will hold start the flight of the late. H.L. Mencken — "new flows after data." — will hold start the flight of the late. H.L. Mencken — "new flows after data." — will have the consideration of the late. H.L. Mencken — "new flows after data." — will have the flight of the late. H.L. Mencken — "new flows after data." — will have the flight of the late. H.L. Mencken — "new flows after data." — will have the flight of the late. H.L. Mencken — "new flight of the late. H.L. Me

# Graf Has New Injury **And Germany a Loss**

FRANKFURT — Two weeks after winning her lifth Wimbledon singles title, Steffi Graf made a brief return Tuesday to tennis, with a new injury, and was upset, 6-4, 1-6, 6-1, by Nicole Provis of Australia

at the Federation Cup.
There was more misery at the end of the day for the German team, as it lost, 2-1, to Australia and be-came the first defending champion to lose in the first round of the women's version of the Davis Cup.

Elizabeth Smylie and Rennae Stubbs gave the Australians their victory by winning the decisive doubles, beating Anke Huber and Barbara Rittner, 5-7, 6-4, 6-3. The only German point in the best-ofthree series came in the first singles, when Huber beat Smylie, 6-1, 6-2.

Graf said she had an inflamed shoulder tendon, and had noticed the injury while practicing on Sunday.
"I wanted to play and it felt a

little bit better in practice in the morning," she said. "But I didn't step in fully fit, I haven't played much in the past two weeks and I didn't feel very comfortable. The shoulder hurt during the match and it was a big part of my defeat."

Graf, who has been nursing a foot injury since early June, looked rusty, spraying her shots long and

Despite the foot injury, she won both the French Open and Wim-bledon, but with the help of painkillers and a specially built shoe. She took a Caribbean vacation after Wimbledon and began prac-

Graf took a 3-0 lead, only to see Provis roll through the next five games. The Australian, ranked 28th in the world, held serve to take

The German bounced back in the second set, after saving two break points in the first game. She broke for a 3-1 lead and cruised through the rest of the second set. Provis, playing with confidence

against an error-prone Graf, broke for a 2-0 lead in the decisive set and never looked behind. Graf said her foot injury had finally healed, but she still could

The state of the s



ciennes the meeting of Bernès and

his accusers will take place, said he

hoped it would "clarify everyone's

A source close to Bernes said he

investigators have traced phone

"is utterly determined despite be-

calls from Bernes' notel morn to the

hotel where the Valenciennes team

was staying before the match in May.

cash, found buried in the backyard

of the inlaws of Christophe Robert,

one of the Valenciemes players,

was of a rare type from a supplier

whose only sporting client was Marseille. Police found identical

envelopes in a search of the club's

They are now studying finger

(AFP, Remers)

prints found on the banknotes.

And the envelope containing the

ing very exhausted."

headouarters.

Steffi Graf during her loss to Nicole Provis. She said she now had an inflamed shoulder tendon.

## SCOREBOARD

edged Austria, 2-1, Latvia outlast-

ed Belgium, 2-1, and China beat Peru, 2-1. (See Scoreboard)

BASEBALL

Major League Standings 51 42 51 42 51 43 44 49 51 51 548 538 533 A73 A07

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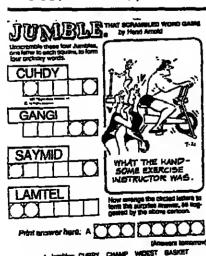
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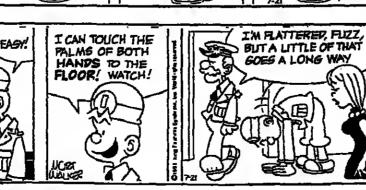












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# SPORTS TOUR DE FRANCE

# Prudencio and Miguel Indurain: Cycling Brothers Just Alike, Except. . .

By Samuel Abt

International Berald Tribune
ANDORRA — Like all riders in the Tour de France, Prudencio Indurain had a day off Tuesday and, like many others, he spent it with his

One of his three sisters came with his father from Spain, as did several cousins, although his mother was reported to have stayed home because somebody had to watch the family farm near Pamplona. As for Prodencio Indurain's brother, he was already here. Wearing the yel-low jersey of the bicycle race's overall leader. Miguel Indurain is seeking his third successive victory in the Tour.

That makes life somewhat difficult for Prudencio Indurain, who ranks 133d among the 139 riders left. This Tour de France, his first in two years as a professional, has not gone well

If he were the loose, jokey kind, Prudencio Indurain might object that he is in fact the

bigger brother, bigger in height and weight. But he is dignified and a bit weary of all the media attention he has been getting. So he simply stares off to the side during an interview and recites the facts: "My height is 1 meter 88 (a tick above 6 feet, 2 inches) and Miguel is 1 meter 86. My weight is 78 kilograms (172 pounds) and Miguel is 76 kilograms. Prudencio is also 25 years old and his brother 29.

He treats the inevitable next question with the same factual monotone: "I'm a normal rider and he's a great champion. He's got a different metabolism than mme and everybody else's." That is, according to Spanish journalists, his stock reply to the question why, even factoring in their ages, one brother has won the last two Giros d'Italia and Tours de France, the two

to win his first professional race. Prodencio Indurain would be amazed to know that, as the Tour travels around France

biggest races in the sport, and the other has yet

of Andorra, his stock reply in hundreds of bad hand but I've never thought of dropping interview has taken on the glow of poetry. out," he said. "I've got to hold on and wait for "He's an eagle, I'm simply a sparrow,"

Parisien translated the answer on Monday. People seem to want a bigger story in Prudencio Indurain than he is willing to offer. He refuses to provide pathos.

There was, for example, the time trial on July 13 in which Miguel Indurain finished first and Prudencio Indurain last, 17 minutes, 48 seconds back. Afterward, little brother acknowledged the joke that the pack had been caught in an Indur-ain sandwich, but he noted that it was a joke among their Banesto teammates, not his joke. And he made no excuses. He did not dwell on

the problem of competing in the world's most difficult bicycle race with a left thumb badly injured, and at first feared broken, in a crash a few days before the time trial.

The thumb bothers him still, making it diffi-

better days."

The best day of all, he continued, would he Sunday if his brother wore the yellow jersey at the Tour's finish in Paris.

His thick, dark eyebrows tightening with his seriousness. Prudencio Indurain makes clear his role: "My hig goal is to help the leader, be up there with him and do everything possible to help everybody else keep helping him." That is the classic definition of the duties of the domestique, the teammate who has no identity except with his

Prudencio Indurain explains that, in the Tour, he is a brother in few ways. He dismisses the talk that he made the nine-man Banesto team only because of his relationship.

told the French newspaper L'Equipe. "That no cuit to grasp the handlebars or squeeze the longer bothers me too much. I know I made it by brakes, he admitted a few days ago. Twe got a my own efforts. I'm here, that's all. I finished the longer bothers me too much. I know I made it by

last two Giros with Miguel and I'm still with him fast he can go," be explained. "I could say, easier in the Tour."

Asked the other day if his brother, a veteran of nine Tours now, had warned him how hard they are, Prudencio Indurain did laugh and said, "I've realized how hard it is by myself."

He has had some bad days, including the time trial and the Alps, and Monday struggled in 104th in the first of three days in the Pyrenees. Of the 28 remaining young riders, those 25 or under this year, he stands one from the bottom in overall elapsed time.

But he has also had some good days. In the team time trial on July 7, when Banesto surprised everybody by linishing seventh and limiting Migoel Indurain's loss to his main rivals to little more than a minute. Prudencio Indurain was praised for staying right behind his brother dur-ing his powerful pulls at the front.

"I rode behind him when he set the pace because I knew better than anybody else how than anybody else, 'Slow down.' "But I didn't," he added proudly,

The Indurain brothers share a room in the many hotels of the three-week Tour. At the team's dinner table, Prudencio Indurain says,

"I'm more open than he is, I speak, he listens." Upstairs, in their room, they talk about family or common interests. "We like the same things: nature, the land, hunting. Only in the bedroom are we brothers. The rest of the time we're

"tt's important to have a champion on your team—it boosts everybody's morale. When he's your brother, it doubles the feeling."

Gérard Rué, a Frenchman who rides for Banesto, compares the brothers this way: "They're both decent, quiet, sympathetic people, alike in

"Except, of course," Rue adds with a smile

### SIDELINES

## Lewis, Christie to Meet in England

LONDON (AP) — World record-holder Carl Lewis and Olympic Champion Limford Christie will race each other over 100 meters in Gateshead on July 30. The long-awaited race, amounced Tuesday by organizers of the Vauxall Invitation meet in northeast England, will assure each man a reported \$150,000, or \$15,000 per second.

Negotiations for a showdown have been in the works ever since. Christie won the gold medal in Barcelona last summer. An ailing Lewis had failed to qualify for the 100 meters at the U.S. trials.

# BBC Says British Doping Widespread LONDON (AFP) — Dozens of raceborses in British are being drugged

by gangs taking advantage of security lapses, a BBC television program An unnamed informant explains how he has doped at least 20 horses in

recent years by injecting a drug with a syringe by or giving the home coated sugar lumps. The program names a number of houses that have been the alleged victims of the drug gangs from 1990 and the unnamed fixer demonstrates how he can break into stable yards.

## Lewis-Bruno Bout Likely in October

NEW YORK (Reiters) — The Lennox Lewis-Tommy Morrison heavyweight title bout tentatively set for the autumn has been put off until next March and Lewis, the WBC champion, likely will fight fellow-Briton Frank Brono in London in October, Morrison's co-manager said. In London, Lewis's camp said an offer to fight Riddick Bowe for the disputed title had been rejected because the previous commitments to

### NBA: With Whom, Not How Much

For the Record

TODAY's

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NEW YORK (NYT) - The National Basketball Association, which is looking into superstar Michael Jordan's gambling habits, is more womed about the character of the people its players might bet with than the amounts that are bet, according to Russell T. Granic, the deputy

"If the guys in the league want to gamble with their friends or legitimate people, then that's their private right," Granik said. "Understandably, the league would be greafly concerned if there is a question about the associations of some of these gambling friends."

# Ryan, Back and Up to Speed, Pitches Rangers Past Brewers

The fastball was zooming past home plate, the curveball was spinning sharply through the strike zone, the seats were filled and the Texas Rangers were winning.

Nolan Ryan was back, and for one night in Texas, everything seemed perfect. Ryan, baseball's 46-year-old strikeout king, returned from a 72day stint on the disabled list and

looked strong in a 91-pitch effort

Monday night in Arlington Stadi-

um. He left with a 4-2 lead after 5%

innings, and the Rangers went on to beat the Milwankee Brewers, 5-It didn't take long for Ryan to get back in the groove, Darryl Hamilton, the first batter of the game, went down swinging. Kevin Reimer, a former teammate of

Ryan's, ended the first inning with strikeout No. 2. "I just wanted to make sure I didn't have a long first inning."
Ryan said after his 321st victory in

the major leagues. "I wanted to establish my pitches." By the time Ryan pulled himself

raise his record total to 5.684 Julio Franco homered and hit an

Blue Jays 15, White Sox 7: In a game between the division leaders in Chicago, Toronto scored seven Kamieniecki, who pitched an eight-

## AL ROUNDUP

to get a season-high 2t hits to stay tied with New York for first place in the East. Chicago, which had its five-game winning streak ended, saw its West

ead over second-place Texas drop

Turner Ward drove in four runs for the Blue Jays, Randy Knorr hit a three-run bomer, Joe Carter drove in three runs and John Olerud had three hits to raise his

average to 398. Dave Stewart got the victory despite giving up three homers. Chi-cago starter Rod Bolton retired only one batter.

Yankees 8, Mariners 2: Tim

bles - and had six strikeouts to was a Yankee: 6 hits, 3 walks, 1 hit batsman and 5 carned runs in only 1½ innings as his record in the Bronx fell to 3-19. Bernie Williams homered and

drove in four runs to support Scott runs in the first inning and went on hitter for the Yankees. Orioles 6, Royals 5: Jamie Moyer

held Kansas City to two hits for six innings as Baltimore, playing at home, survived a shaky outing by stopper Gregg Olson. Chris Hoiles hit a three-run bomer and Jeffrey Hammonds got a solo shot. The

Orioles have won 8 of 11, Red Sox 8, Angels 6: Billy Hatcher went 3-for-5 against California, raising his average to .322, and rookie pitcher Aaron Sele stayed imdefeated at 3-0 as Boston, home, won for the 19th time in

Hatcher is hitting .402 with 24 RBIs in his last 24 games.

Twins 4, Tigers 2: Minnesota spoiled Scan Bergman's first major-league start by scoring four Detroit while Scott Eriekson was holding the Tigers hitless through 41/2 innings. Erickson gave up only four hits and four walks in eight innings.

league start, pitched Detroit's fourth complete game of the year and its second in as many days. Indians 4, Athletics 2: Albert

Cleveland, playing at home, handed Oakland its fourth straight loss. Todd Vao Poppel worked fourinningsastheA'smanager, Tony La Russa, instituted a policy of hav-

"We'll watch it real closely and see what happens," La Russa

ing no pitcher throw more than 50



Andres Galarraga got the Marlins' Gary Sheffield out and was looking at a victory for the Rockies. out of the game in the sixth, he had

# Ex-Falcon Jordan, Back in Atlanta, Puts 2 Big Hits on Braves

Norhert Rossa, the Hungarian who holds the world breaststoke record, was granted Australian residency status Tuesday and will be cligible to represent Australia at the 1996 Atlanta Olympics. (AFP) impie to represent Australia at the 1996 Atlanta Olympics. (AFT)
Kazuhire Kiyohara of the Scibu Lions drove in three runs as the Pacific League beat the Central League, 10-8, in the first of this season's two

Japanese all-star games.

Alexander Volkov, the 6-foot-8 Ukrainian forward of the former Soviet national basketball team, has agreed to a two-year contract with Panath-

insikos of Athens, the club said:

Alexander Lymbarets, the world acrobatics champion, was killed when his plane crashed near Moscow as he was practicing for an air show in the of fans who rooted for you when other team, but they were great." ted States, the newspaper Izvestia reported Tuesday. (Renters) you were here before," said Jordan,

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OMS

For Brian Jordan, two homers in one game are better than two intercentions any day. The former strong safety for the

National Football League's Atlanta Falcons hit his two shots late Monday to back the six-hit pitching of Donovan Osborne and three said Atlanta's two-sport star. evers as the St. Louis Cardinals ... : (AP) beat the Braves, 40, in Atlanta. .

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WOM 21 THE SHIT AVAILABLE IN MANY

who played for the Falcons from Burba singled in the go-ahead run season-high fifth straight by turn-1989-91 in Atlanta-Fulton County in the fourth, helping San Prancis-ing Larry Luebbers' wildness — he Stadium before signing a baseballonly contract with the Cardinals. "Jordan's homers were great,"

## NL ROUNDUP

Deion Sanders, a former teammate Giants 6, Expos 2: Pitcher Dave

in the fourth, helping San Francis-co break a two-game losing streak by beating visiting Montreal.

Phillies 7, Dodgers 5: Jim Eisen-reich drove in two nuss, the second with a tie-breaking single in the seventh, as Philadelphia won in Los Angeles to maintaine its threegame lead over St. Louis in the East. Rookie Kevin Stocker, who had three hits, drove in another run

with a ground out. Cubs 6, Reds 4: Chicago won its

walked six in 4% innings — into a five-run lead on RBI singles by Derrick May, Sammy Sosa and Rick Wilkins in Cincinnati. Astros 4. Pirates 2: Eric Antho-

ny's tiebreaking homer in the sixth

Mets 2, Padres 1: Charlie O'Brien's first homer of the season, lead-

Winner John Franco blew a save in the ninth by allowing Tony Gwynn's two-out RBI single. Martins 3, Rockies 1: Benito San-

ning streak this season.

New York its first three-game win-

tiago broke a 1-all tie with a sacrifice fly in the fourth and Darrell Whitmore followed with a homer as visiting Colorado beat Florida. The Rockies, who have lost five

straight games, lead the seasoo series against the fellow-expansion Marlins, 6-4.

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By Russell Baker

I EW YORK — Sly Stallone, Arnie Schwarzenegger, Spielbergosaurus Rex with muscles as terrifying as Sly's pectorals and Arnie's biceps -- who needs them? Not me. Not as long as there's a

lean, squinty old gent with wrinkles all over his face and eyes full of memory and pain and a smile that can charm the handcuffs and service revolver right off a beautiful lady cop.

He can even get away with calling her a lady because he comes from a remote, half-forgotten age when men had too much dignity to belittle themselves by speaking trendy political jargon. I'm talking, of course, about Clint Eastwood, whose new movie is the greatest boon to the aging American male since Medicare, Geritol and Gre-

cian Formula combined. Playing a Secret Service agent, Eastwood turns "Io the Line of Fire" into an illustrated lecture oo the superiority of geezerhood.

Somewhere I saw that Eastwood is 63 years old. He looks it all right, and he looks perfectly at ease with ic Running to keep pace with the president's car — Secret Service ageots really do that - he is unashamed about looking like a man io pain. At the end of a hard day be

needs a nap.

Amazingly, he is human. This is an nousual condition in American movies nowadays. Stallone with torso glistening under coatings of cooking oil is a comic-book drawing. Schwarzenegger is a cover lor a

weight-lifting journal. Eastwood brings movies back from the land of the grotesque to the world of real people, more and more of whom, as the old-timers' lobby keeps reminding our easily hullied Congress, are gray, crinkled and long in the tooth.

Men in this category have had little comfort in the "Rambo" and "Terminator" era because, for one thing, breaking murderous young hoodlums' necks with your bare hands is simply out practical when your knees creak, you have trouble getting the suitcases up to the attic and 11:30 P. M. finds you more interested in bed than in Ted Koppel. For another thing, carrying on like that makes a man over 50 look

Eastwood's Secret Service agent is over the hill physically and emotionally, but considerably more interesting to the young woman agent than are the younger men in her

This of course is because Eastwood is the star, and screenwriters write it that way for stars. Still, Eastwood makes the old fellow's wit, experience and sensitivity plausible enough to persuade the audience that, yes, he is obviously the one interesting human being among the good guys.

Well into the thing, unfortunately. Eastwood suddenly starts per-forming athletic feats that are highly improbable for an old gent easily improbable for an old gent easily winded by jogging. Climbing huildings and jumping over yawning chasms, he is briefly more "Rambo" than "Rambo."

Watching this with disappointwatching inis with disappointment, I forgave it after reasoning that it was oot a script by Aeschylus hut only a high-class romp. "Nobody's perfect," I explained to my wife, who found this athletic outhurs! out of character.

Instead of being astounded by my sagacity, she noted that the re-markable gymnastics performed simultaneously by the villaioous John Malkovich were even more implausible than Eastwood's since we had earlier seen Malkovich in his underwear looking 25 pounds overweight, and that in the abdo-

This was all quibbling, as I pointed out. The significant fact was that in a population that's getting older every minute a big movie star had frankly played an old-timer as an old-timer and in doing it had given the American male rea-son to tell himself that life begins not at 40 but at 50, or at 60. Maybe even at 70, 80. . .

My wife didn't bother pointing out that the lady cop whom Eastwood charms is not 80, 70, 60, 50 or even 40, and prohably not even 30. So I didn't have to point out that Hollywood being a town run by oversized boys, we ought to be glad of any evidence that they're finally growing up because it might mean that one of these days they might put away their dolls and put women in their movies.

# Punk Nostalgia and Mexican Munchies

By John Rockwell

New York Times Service

O XFORD, England — Bertolt Brecht
liked to castigate bourgeois aesthetes
by calling them "culinary." He was more
prophetic than he knew. This weekend in
Reading and Oxford, west of London and
a mere 25 miles apart, were two events that a mere 25 miles apart, were two events that gave Brecht's ideas a fuller meaning. Often

quite literally fuller. The two were the principal summer manifestation in Britain of Womad, or the World of Music, Arts and Dance festivals, at the Rivermead Leisure Complex in Reading, and the Oxford Symposium on Food and Cookery at St. Anthony's Col-

lege in that venerable university town.
The link between the two, each of which proceeded in near-ignorance of the other. was perhaps more poetic than tangible, but it did exist. Both represented, in Britain's slightly gloomy post-colonial decline, a determined, good-hearted effort to come to terms with the cultures of the entire

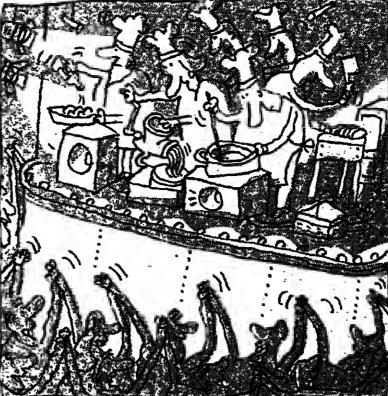
Womad was founded by the rock star Peter Gabriel. Now in its 11th season, it has presented festivals of world music (the currently fashionable term for what has also been called folk, ethnic or Third World music), leavened with politically correct Western rock stars, at several British sites as well as in 11 other countries on a regular hasis and in more than 20 overall. The general atmosphere is post-punk hip-pie nostalgia, with hundreds of craft booths and leftish causes jostling with the music for a visitor's attention.

The Oxford Symposium, a distinctly donnish affair, was founded by Theodore Zeldin, a historian; Alan Davidson, a London food writer, and a few other leading foodies, as they call themselves. This year it admitted 154 paying participants who gathered for scholarly papers, venture-some meals and convivality. (Several hundred other applicants, not to speak of the general public, were not invited.)

Other than multiculturalism, the two events had more in common than usual this summer. Womad attracts all manner of food vendors, from Mexican Munchies to the Golden Tempura Bar to the Tiny

The theme of this year's Oxford Symposium was "Look and Feel," meaning an exploration of aesthetic, visual and textural matters transcending mere culinary taste. (This is a Brecht-friendly avenue down which Zeldin is eager to proceed; his proposal for next year's theme is values.)

"Look and Feel" offered ample opporbinines for papers that moved beyond ingredients and recipes and historical subjects like the evolution of pasta to larger social and artistic issues.



There were papers linking food with the other arts, from "Is a Meal a Gesamt-kunstwerk in the Wagnerian Sense?" to "The Landscape Through the Jelly: Exploring the Subtext of Performance Food" to a session on Futurist cuisine, which was generally dismissed as "absolute barba-rism" and "the pomography of food." Alicia Rios from Spain offered an actual

piece of food performance art (not to be confused with performance food) subti-tled "Organaleptic Deconstruction in Three Dimensions," in which she mushed up a variety of foods (the idea was to let the hands do the work of the teeth), regaled her audience with recordings of the grunting porcine sounds of the chewing and swallowing of various foods and, as the grand finale, rolled about on a trans-

parent mattress filled with potato chips.
Womad is, on the surface, oot so highbrow as this: it is a commercial venture, especially since Gabriel had to step back in early this year to bail out the operation after a liquidation process had eliminated six of the eight interrelated Womad com-panies. Now, Womad is as active as ever hut more tightly integrated with Gabriel's Real World management and recording Stressing Womad's organizational structure and marketing strategies belies its purer motives. Womad is run by peo-ple, starting with Gabriel and Thomas

Brooman, the artistic director, who believe in the values of multiculturalism and the vibrancy and excitement of the world music they present. "It's always been based more on idealism than on commercial-ism," insisted Gabriel, speaking by telephone from Banff, Alberta, where he was on a rock tour. (He will also participate in

the first-ever Womad tour of North America from Sept. 4 to 19.)

Some of the music at this weekend's Reading event was indisputably ethnic and genuinely compelling, like Nusrat Fateh Ali Khan, the Pakistani Qawwali singer, or a master Ghanaian drummer named Mustapha Tittey Addy. But Womad's fu-sion goals, the idea of Third World musicians learning valuable lessons from Western pop and Western rock stars enriching their music with Third World additives, was very much in evidence, too.

Particularly arresting on Friday night was Natacha Atlas, a Belgian of Jewish descent who sings in what the program described as a Spanish-French-Arabio-English-Hindi hybrid and who was accomparied with crunching authority by Transglobal Underground, an Afro-Asian-British band.

Although the Oxford Symposium covers the world in its intellectual scope, its

actual representatives from world cultures were less diverse than Womad's. Of the 150 Oxford registrants, the vast majority came from Western Europe and the United States, with no blacks and only one Asian based in the Far East.

The study of food as a recognized academic discipline is at an embryonic stage in Britain and only slightly more advanced in the United States. "Alan Davidson and I were analous to give gastronomy a basis in a university," Zeldin recalled. "My col-leagues thought I was being frivolous, but as I had a certain amount of power, I was

able to do it.

One of my intentions is to include people who are not academics along with academics, to mix different approaches: almost every discipline has something to say about food. Being an academic, I don't feel happy about the way the academic world has developed. It's too specialized, with the sim of an academic to destroy his

with the sum of an academic to destroy me rivals. Here, people are amazingly generous to each other."

This year's touchy-feely theme encouraged a greater degree than usual of arcane humor and dotty eccentricity, and some of the than scientifically minded participants regretted that. But British academic life has long been crowded with eccentric amateurs. A ringing assertion by Sami amateurs. A ringing assertion by Sami Zubaida of London, declaring himself stoutly opposed to any further formaliza-tion of the proceedings, drew hearty ap-

tion of the proceedings, drew hearty ap-plause.

Actual eating, not just papers and so-cializing, is a crucial part of the sympo-sium. There was a Gloucestershire dinner. Saturday and a lavish Finnish lunch Sun-day. But the big gustatory event is tradi-tionally the Sahrday cooperative lunch, to which registrants bring dishes for the de-lectation of others. This year's menu in-cluded such delicacies as turron de casary, a ciuded soch delicacies as n*arron de casuy*, a cashew nought; 17th-century blancoman-giare (made with a blender), "post-Futur-ist peralgarsi" and torshi larandsi, a Tuni-

sian turnip salad.

If the Oxford symposium is somewhat bigher up the intellectual food chain than Womad, Gabriel, Brooman and their family-oriented audiences display a similar enthusiasm for world cultures. When we started Womad, there were

one or two record stores in London selling this music," Gabriel said. "Now, it's all over. That was not all Womad's work, but this has been the only regular, touring festival of its kind, a model for the future. World music won't go away now, and I think that's a big achievement."

### Is That Material Girl **Becoming Immaterial?**

Try again. A spokeswoman for MTV-said the channel has gotten "no response at all" to Madouna's latest video "Rain," in which she sports jet black locks and blue eyes. She will launch a new tour in London on Sept. 25.

Yehodi Mesuhin appeared in Britain's House of Lords for the first time and said he would take the title Baron Menuhin of Stoke D'Abernon, Menuhin, 77, was given a life peerage in June by Queen? Elizabeth II, entitling him to be addressed as Lord Memahin.

and Bearing Willie Nelson is scheduled to perform Saturday behind the County Line Bar in Regal, Minne-sona, population about 50. He con-tinues a tradition started by Johnny Cash, who agreed in 1989 to appear on a portable stage so that the bar owner Mike Kampsen could let his father hear a favorite singer in person Last year's crowd for Tammy Wynette and Waylon Jennings drew nearly 6,000.

John F. Kennedy Jr. toured the Constitution Avenue headquarters of the U.S. Labor Department for the second time in a month, doing little to put rumors to rest that is may be under consideration for a stot on the House Judiciary Committee's crime and criminal justice subcommittee's chief counsel, said there was at least one opening.

Patti Davis, the novelist who has spent much time being estranged from parents Rouald and Nancy Research, is moving from Santa Monica, California, to Connecticut. "I need a dramatic change," she said. "Tra 40 and that's a profound year in your life."

. . Chris de Burgh's wife was recovering in hospital after breaking her neck in a horse-riding accident. Disne de Burgh, who inspired her husband's hit. "The Lady in Red," was riding near the family's castle home in County Wexford, Ireland.

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## WEATHER

Forecast for Thursday through Saturday, as provided by Accu-Weather.

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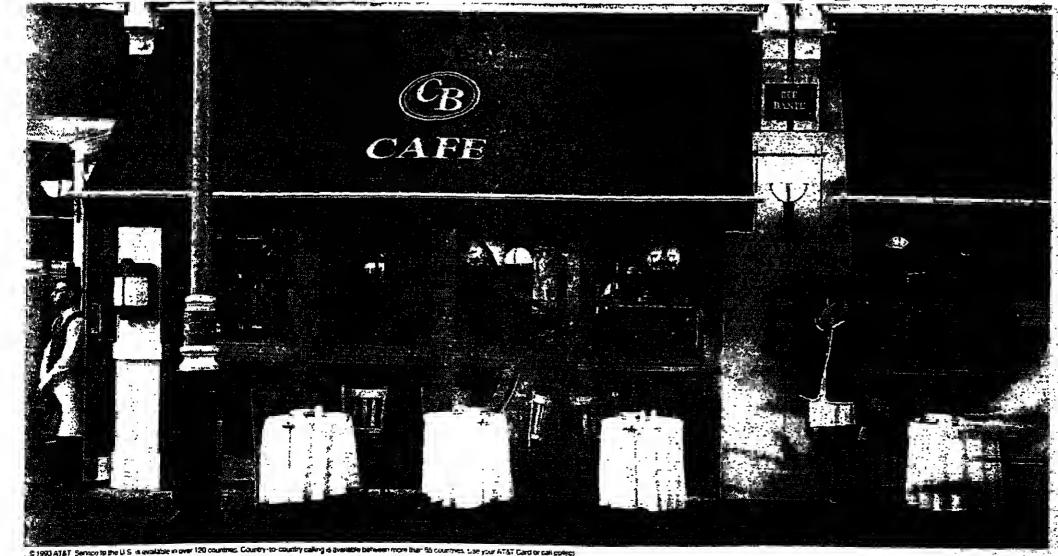
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